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KEY TO ACCOUNTS AND ACCOUNTING PRACTICE

ALBERT G. BELDING

AMERICAN BOOK COMPANY

NEW YORK CINCINNATI CHICAGO

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PREFACE

ANY study has disciplinary value only as it develops power to observe, to reason, and to form rational conclusions; and a business subject has vocational value only as it prepares the student in some degree to correctly interpret the facts of business life.

In the study of accounting, there are two main considerations: (1) the purpose to be accomplished and (2) the expedients employed. The analysis, pages 11 to 17 of Accounts and Accounting Practice, shows the purpose to be accomplished. This analysis should be summed up in questions to develop the threefold aspect of the subject: namely, (1) the ownership status at the beginning of a business period, (2) what happens during the period to change that status, and (3) the ownership status at the end of the period. The events during the period create and extinguish property rights, the outcome of which is an increase or decrease in proprietorship. Emphasize the fact that this increase, like the original investment, exists both as a thing owned, or asset, and as a property right, or profit. These questions should also develop the fact that things owned, or that become owned, are called debtors, and that owners are creditors.

The author is mindful of the fact that this interpretation of debtor and creditor apparently differs from that commonly accepted; but this difference is apparent, not real. The old rule, "debit that which costs value and credit that which produces value," is another way of saying debit that which becomes owned and credit the owner. Those who insist that losses are debtors, but not things owned, apparently forget that a perfect system of accounting would eliminate losses as fast as they occur. It is the purpose of each entry to show that property rights have been created or extinguished. That the creation, transfer, and extinction of all rights are not recorded as fast as they occur, is due to the practical shortcomings of the system. Any record showing debit differences that are not things owned or credit differences that are not property rights, is an incomplete record. Shall we base our terminology and definitions upon the characteristics of an incomplete record or upon the facts, recorded and unrecorded, underlying that record?

Since the end in view always determines the means employed, if the purpose of entries is first understood by the student, he will make better headway in devising expedients or in handling those

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that are ready-made. Not until the purpose of the record is shown and fundamental concepts are developed, should the student take up the study of expedients. In the analysis, pages 11 to 17, the ultimate effect of each event in a narrative is shown, and the next exercise carries a series of events through to a conclusion. Ordinarily there are two steps in this process, the journal and the ledger. And since the journal is a medium of account construction, its use will be more readily grasped if the function of accounts as media of statement construction, is first taken up. The second exercise, accordingly, deals with the construction and interpretation of accounts.

In the construction of accounts, transactions are regarded as effecting transfers of value from one part (account) of the business to another. This, of course, is a practical expedient that shortens the process without impairing the value of the record. The point to be noted is that the expedient is in harmony with our first premises. We never credit a thing owned until it is first debited nor beyond the amount for which it is a debtor. Crediting cash does not make cash a creditor, but simply reduces the amount for which it is a debtor. If an account recording the value of a thing owned ever becomes a creditor, *it is improperly made such by the bookkeeper to avoid the labor of opening a personal account.* Debiting a person before that person has been made a creditor is in reality a charge against the things owned by that person. It is quite as logical to regard accounts receivable as things owned as it is to so regard cash (checks and paper money), notes, mortgages, and stocks. Such accounts are regarded in law as things (choses) in action, as distinguished from things in possession. For accounting purposes all these things represent the pecuniary service of so much wealth in possession or in expectation.

A valuable feature of the study of the construction and interpretation of accounts, is that it carries the record through to the balance sheet without the intervention of the trial balance. When transactions are journalized up to the trial balance, and the ledger is then closed without the use of journal entries, the student gets the impression that closing entries are different in purpose from other entries, which, of course, is erroneous.

Emphasis has here been placed on the method of development, because correct interpretation of fundamental concepts not only actually simplifies and shortens the work of students in bookkeeping courses — not only makes more intelligent bookkeepers, if that is the purpose of the course, but it equips the student with a knowledge of principles and precedents that enables him to interpret his environment in business life.

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TEACHER'S KEY

ACCOUNTS AND ACCOUNTING PRACTICE

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EXERCISE 4

November

	1		
Cash,		8500	
P. A. Morgan, Capital			8500
	1		
Expense		100	
Cash			100
	2		
Office Furniture		62	
Cash			62
	2		
Mdse. Purchases		437.50	
Cash			437.50
	3		
Mdse. Purchases		300	
Cash			300
	4		
Office Furniture		100	
Cash			100
	5		
Cash		80	
Mdse. Sales			80
	7		
Mdse. Purchases		200	
Ely Abrams			200
	9		
Frederick Austin		75	
Mdse. Sales			75
	9		
Cash		60	
Mdse. Sales			60
	9		

	9		
Expense		27	
Cash			27
	9		
Expense		6	
Cash			6
	11		
L. L. Vance		155	
Mdse. Sales			155
	11		
Expense		30	
Cash			30
	11		
Mdse. Purchases		300	
Cash			300
	12		
Cash		98	
Mdse. Sales			98
	14		
Mdse. Purchases		375	
Holbrook & Hayward			375
	15		
Cash		160	
Mdse. Sales			160
	15		
Edward Davis		120	
Mdse. Sales			120
	16		
Mdse. Purchases		625	
Walter Eddy & Co.			625
	16		
Expense		27	
Cash			27
	16		
P. A. Morgan, Private		40	
Cash			40
	19		
Isidore Isaacs		150	
Mdse. Sales			150
	20		
Cash		155	
L. L. Vance			155

	20		
Office Furniture		63	
Cash			63
	22		
Mdse. Purchases		200	
Ely Abrams			200
	23		
Mdse. Purchases		750	
French Brothers			750
	23		
Expense		30	
P. A. Morgan, Private		25	
Cash			55
	25		
Office Furniture		15	
Cash			15
	26		
Mdse. Purchases		380	
David Dunn			380
	29		
Cash		150	
Notes Receivable		252	
Isidore Isaacs			402
	29		
Mdse. Sales		75	
Rulif V. Lawrence			75
	30		
Office Furniture		250	
Expense		33	
P. A. Morgan, Private		35	
Cash			318

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December

	1		
Cash		313.60	
Mdse. Discount		6.40	
A. J. Ackley			320
	1		
Expense		115	
Freight & Drayage		23.50	
Cash			138.50

	2		
Cash		435.40	
Mdse. Discount		9.60	
R. S. Kingsley			125
Wickwire Bros.			320
	2		
Ely Abrams		200	
French Brothers		750	
Cash			931.50
Mdse. Discount			18.50
	3		
Expense		94	
P. A. Morgan, Private		35	
Cash			129
	5		
Freight & Drayage		8	
Cash			8
	6		
David Dunn		380	
Cash			372.40
Mdse. Discount			7.60
	6		
Office Furniture		50	
Expense		7	
Cash			57
	7		
Expense		40.55	
P. A. Morgan		25	
Ely Abrams		200	
Cash			265.55
	9		
Holbrook & Hayward		62.50	
Mdse. Purchases			62.50
	9		
Cash		414.50	
Mdse. Discount		2.50	
Frederick Austin			75
S. E. Rodgers			45
A. C. Fontaine			100
John Bennet			125
Henry K. Goodrich			72

	9		
Cash		200	
Mdse. Discount		6.19	
Notes Receivable		183.81	
Clayton Ensign			390
	9		
Walter Eddy & Co.		625	
French Brothers		600	
Fagan & Kendrick		90	
Cash			1289.85
Mdse. Discount			25.15
	11		
P. A. Morgan, Private		11	
Expense			11
	13		
David Dunn		1200	
Notes Payable			1200
	14		
P. A. Morgan, Private		6	
Mdse. Stock			6
	16		
Real Estate		11000	
Franklin Lord, Vendor			11000
	16		
Franklin Lord, Vendor		5000	
Mortgage Payable			5000
	16		
Franklin Lord, Vendor		50	
Expense			50
	17		
Mdse. Sales		2.50	
Rulif V. Lawrence			2.50
	19		
Notes Receivable		288	
L. L. Vance			288
	19		
French Brothers		360	
Notes Payable			360
	23		
David Dunn		120	
Mdse. Purchases			120
	26		
Notes Receivable		108	
John E. Steen			108
	27		
Mdse. Discount		3.84	
John Bennet			3.84

JOURNAL

January

		2		
Barnard Shoe Co.			4.20	
Fagan & Kendrick			1.80	
	Mdse. Discount			6
		2		
Mdse. Discount			1.44	
	Edward Davis			1.44
		3		
Mdse. Discount			3.84	
	Isidore Isaacs			3.84
		7		
Mdse. Discount			16.20	
	R. S. Kingsley			8.40
	Clayton Ensign			7.80

MERCHANDISE SALES

Nov.	21	A. J. Ackley	320	
	21	Richard Grainger	120	
	22	Rulif V. Lawrence	300	
	23	Wickwire Bros.	320	
	23	R. S. Kingsley	125	
	25	John E. Steen	93	
	28	Isidore Isaacs	252	
	28	John Bennet	125	
	28	A. C. Fontaine	100	
	28	S. E. Rodgers	45	
	29	Clayton Ensign	390	
	30	Mdse. Sales Cr.		2190
Dec.	2	Rulif V. Lawrence	360	
	2	Clayton Ensign	390	
	6	Henry K. Goodrich	72	
	7	Rulif V. Lawrence	75	
	9	Mdse. Sales Cr.		897
	11	Edward Davis	72	
	13	Frederick Austin	120	
	16	George Graber	192	
	16	L. L. Vance	288	
	16	John Bennet	192	
	17	S. E. Rodgers	144	
	17	R. S. Kingsley & Co.	360	
	20	S. E. Rodgers	58	
	20	Mdse. Sales Cr.		1426

Dec.	21	Richard Grainger	70	
	23	A. J. Ackley	153.60	
	24	John E. Steen	108	
	24	Isidore Isaacs	192	
	26	Henry K. Goodrich	72	
	27	Wickwire Bros.	142.20	
	27	R. S. Kingsley & Co.	420	
	31	Rulif V. Lawrence	672	
	31	Mdse. Sales Cr.		1829.80

MERCHANDISE PURCHASES

Dec.	1	Walter Eddy & Co.	625	
	5	French Brothers	600	
	6	Fagan & Kendrick	90	
	9	Mdse. Purchases Dr.		1315
	11	Ely Abrams	144	
	11	David Dunn	1200	
	14	Barnard Shoe Co.	210	
	16	French Bros.	360	
	20	Ely Abrams	192	
	20	Mdse. Purchases Dr.		2106
	21	David Dunn	2400	
	23	Fagan & Kendrick	90	
	31	Mdse. Purchases Dr.		2490

CASH RECEIVED

Dec.	13	P. A. Morgan, Capital	500	
	13	Notes Payable	500	
	14	Rulif V. Lawrence	360	
	16	Holbrook & Hayward	62.50	
	16	Edward Davis	120	
	17	Rulif V. Lawrence	72.50	
	19	George Graber	192	
	19	Rulif V. Lawrence	225	
	20	Cash Dr.		2032
	26	Edward Davis	70.56	
	26	Fred'k Austin	120	
	27	John Bennet	188.16	
	28	Notes Receivable	252	
	30	S. E. Rodgers	144	
	31	David Dunn Vendee	5029.30	
	31	Cash Dr.		5804.02

CASH PAID

Dec.	11	Holbrook & Hayward	375	
	14	Expense	27	
	14	Expense	8.50	
	16	Franklin Lord, Vendor	5950	
	16	Walter Eddy & Co.	625	
	19	Expense	4.50	
	20	Cash Cr.		6990
	21	Ely Abrams	144	
	21	Expense	30	
	21	Expense	8.50	
	21	P. A. Morgan, Private	40	
	23	Expense	35.50	
	24	Expense	20	
	28	Expense	30	
	28	Expense	7	
	28	P. A. Morgan, Private	65	
	31	Expense	4.65	
	31	Cash Cr.		384.65

CASH RECEIVED

Jan.	1	Balance		5955.57
	3	Isidore Isaacs	188.16	
	4	Richard Grainger	190	
	4	Rulif V. Lawrence	672	
	4	Wickwire Bros.	142.20	
	4	Henry K. Goodrich	72	
	7	R. S. Kingsley & Co.	411.60	
	7	Clayton Ensign	382.20	
	7	Notes Receivable	183.81	
	15	Notes Receivable	288	
	16	R. S. Kingsley	360	
	19	S. E. Rodgers	58	
	23	A. J. Ackley	153.60	
	23	Notes Receivable	108	
	23	John E. Steen	93	
	30	Notes Receivable	2000	
	30	Interest	10	
	31	Cash Dr.		5312.57
				11268.14
Feb.	1	Balance		9843.09

CASH PAID

Jan.	2	Fagan & Kendrick	88.20	
	2	Barnard Shoe Co.	205.80	
	2	Ely Abrams	192	
	2	Freight & Drayage	21.80	
	2	Expense	10	
	2	Expense	40	
	12	Notes Payable	500	
	12	Interest	2.50	
	18	Notes Payable	360	
	30	Expense	4.75	
	31	Cash Cr.		1425.05
	31	Balance		9843.09
				11268.14

TRIAL BALANCE OF TOTALS

November 9

P. A. Morgan, Capital		8500
Cash	8640	1032.50
Office Furniture	162	
Mdse. Purchases	937.50	
Mdse. Sales		215
Expense	133	
Frederick Austin	75	
Ely Abrams		200
	9947.50	9947.50

TRIAL BALANCE

November 20

P. A. Morgan, Capital		8500
P. A. Morgan, Private	40	
Cash	7560.50	
Office Furniture	225	
Mdse. Purchases	2237.50	
Mdse. Sales		898
Expense	190	
Frederick Austin	75	
Edward Davis	120	
Isidore Isaacs	150	
Ely Abrams		200
Holbrook & Hayward		375
Walter Eddy & Co.		625
	10598	10598

TRIAL BALANCE

November 30

P. A. Morgan, Capital		8500
P. A. Morgan, Private	100	
Cash	7322.50	
Notes Receivable	252	
Office Furniture	490	
Mdse. Purchases	3567.50	
Mdse. Sales		3013
Expense	253	
Frederick Austin	75	
Edward Davis	120	
A. J. Ackley	320	
Richard Grainger	120	
Rulif V. Lawrence	225	
Wickwire Brothers	320	
R. S. Kingsley	125	
John E. Steen	93	
John Bennet	125	
A. C. Fontaine	100	
S. E. Rodgers	45	
Clayton Ensign	390	
Ely Abrams		400
Holbrook & Hayward		375
Walter Eddy & Co.		625
French Brothers		750
David Dunn		380
	14043	14043

TRIAL BALANCE

December 9

P. A. Morgan, Capital		8500
P. A. Morgan, Private	160	
Cash	5494.20	
Notes Receivable	435.81	
Office Furniture	540	
Mdse. Purchases	4820	
Mdse. Sales		3910

Freight & Drayage	31.50	
Mdse. Discount		26.56
Expense	509.55	
Edward Davis	120	
Richard Grainger	120	
Rulif V. Lawrence	660	
John E. Steen	93	
Clayton Ensign	390	
Holbrook & Hayward		312.50
Walter Eddy & Co.		625
	13374.06	13374.06

TRIAL BALANCE

December 20

P. A. Morgan, Capital		9000
P. A. Morgan, Private	177	
Cash	536.20	
Notes Receivable	723.81	
Notes Payable		2060
Mortgage Payable		5000
Real Estate	11000	
Office Furniture	540	
Mdse. Stock		6
Mdse. Purchases	6926	
Mdse. Sales		5333.50
Freight & Drayage	31.50	
Mdse. Discount		26.56
Expense	488.55	
Frederick Austin	120	
Edward Davis	72	
Richard Grainger	120	
R. S. Kingsley	360	
John E. Steen	93	
John Bennet	192	
S. E. Rodgers	202	
Clayton Ensign	390	
Ely Abrams		336
Barnard Shoe Co.		210
	21972.06	21972.06

TRIAL BALANCE

December 31

P. A. Morgan, Capital		9000
P. A. Morgan, Private	282	
Cash	5955.57	
Notes Receivable	2579.81	
Notes Payable		860
Office Furniture	15	
Mdse. Stock		3962.80
Mdse. Purchases	9296	
Mdse. Sales		7163.30
Freight & Drayage	31.50	
Mdse. Discount		22.72
Expense	596.70	
Edward Davis	1.44	
Isidore Isaacs	192	
A. J. Ackley	153.60	
Richard Grainger	190	
Rulif V. Lawrence	672	
Wickwire Bros.	142.20	
R. S. Kingsley	780	
John E. Steen	93	
S. E. Rodgers	58	
Clayton Ensign	390	
Henry K. Goodrich	72	
Ely Abrams		192
Fagan & Kendrick		90
Barnard Shoe Co.		210
	21500.82	21500.82

JOURNAL

February

15		
Stock of coal	729	
McEvoy & Sons		729
18		
Hay & Feed	252.13	
Jno. M. Reuter & Co.		252.13

	19		
Delivery Expense		16.27	
Hay & Feed			16.27
	24		
Edw. McGinn		69.12	
Hay & Feed			69.12
	27		
James Andrews		16.50	
Hay & Feed			16.50
	27		
Delivery Expense		39.11	
Hay & Feed			39.11
	28		
Stock of Coal (Mar. Acct.)		1099.40	
Hay & Feed " "		1226	
Stock of Coal			1099.40
Hay & Feed			1226
	28		
General Expense (Mar. Acct.)		62	
Delivery Expense " "		35	
General Expense			62
Delivery Expense			35
	28		
Coal Stock		1405.70	
Coal Purchases			1405.70
	28		
Sales Acct.		1035.30	
Coal Stock			1035.30
	28		
Hay & Feed		19.72	
Coal Sales		223.70	
Profit & Loss			243.42
	28		
Profit & Loss		228.08	
Delivery Expense			104.03
General Expense			63
Office Expense			61.05
	28		
Profit & Loss		15.34	
Wm. Kingsley			15.34

SALES

Feb.	17	Mrs. Jane Moore	35	
	17	J. W. Brower	70	
	17	Bert Wilson	72.50	
	17	Board of Education	140	
	19	Malcolm Andrews	105	
	19	John Vopelak	21.75	
	19	O. S. Davidson	70	
	22	H. Goldschmitt	70	
	22	Wm. Kahn	70	
	22	Mrs. H. Carroll	21.75	
	22	Municipal Light Co.	175	
	22	T. Sullivan	7.25	
	24	R. M. Brownlee	35	
	24	R. L. Burton	140	
	24	Mrs. Mary Jennings	14.50	
	24	Lars Anderson	49	
	28	Muller & Miller	70	
	28	Whittaker & Co.	56	
	28	F. Bernas	36.25	
	28	Coal Sales Cr.		1259

PURCHASES

Feb.	16	Lehigh Coal Co.	209.48	
	20	Lehigh Coal Co.	327.82	
	28	Middlestates Coal Co.	303.80	
	28	Coal Purchases Dr.		841.10

CASH RECEIVED

Feb.	15	William Kingsley, Capital	6977.60
	18	J. W. Brower	70
	18	Bert Wilson	72.50
	22	M. Andrews	105
	22	John Vopelak	21.75
	22	O. S. Davidson	70
	25	H. Goldschmitt	70
	25	Mrs. Henry Carroll	21.75

Feb.	25	Wm. Kahn	70	
	25	T. Sullivan	7.25	
	27	Lars Anderson	49	
	27	R. L. Burton	140	
	27	Mrs. Mary Jennings	14.50	
	28	Municipal Light Co.	175	
	28	Frank Bernas	36.25	
	28	Whittaker & Co.	56	
	28	Cash Dr.		7956.60
				7956.60

CASH PAID

Feb.	15	Gen'l Expense	100	
	15	Gen'l Expense	12.50	
	15	Horses & Wagons	425	
	15	Horses & Wagons	65	
	15	Horses & Wagons	95	
	15	Gen'l Expense	12.50	
	16	Horses & Wagons	435	
	16	Coal Purchases	143.64	
	16	Office Expense	4.50	
	17	Office Expense	18.50	
	18	Delivery Expense	15.65	
	20	Office Expense	3.75	
	20	McEvoy & Sons	729	
	20	Delivery Expense	28.50	
	20	Office Expense	13	
	23	John M. Reuter & Co.	252.13	
	24	Lehigh Coal Co.	209.48	
	24	Coal Purchases	212.64	
	24	Hay & Feed	988.75	
	24	Hay & Feed	106.40	
	27	Delivery Expense	36	
	27	Delivery Expense	3.50	
	28	Office Expense	12.55	
	28	Coal Purchases	208.32	
	28	Office Furniture	100	
	28	Office Expense	8.75	
	28	Cash Cr.		4240.06
	28	Balance		3716.54
				7956.60

TRIAL BALANCE

February 28

William Kingsley, Capital		6977.60
Cash	3716.54	
Stock of Coal	729	
Purchases	1405.70	
Sales		1259
Hay & Feed	1206.28	
General Expense	125	
Office Expense	61.05	
Delivery Expense	139.03	
Horses & Wagons	1020	
Office Furniture	100	
Lehigh Coal Co.		327.82
Middlestates Coal Co.		303.80
Accounts Receivable	365.62	
	8868.22	8868.22

BUSINESS AND FINANCIAL STATEMENT

Feb. 15 to 28

TRADING SECTION

Coal purchases for the period	841.10	Coal sales,	1259
Add Freight	564.60		
	1405.70		
Add stock 2/15	729		
	2134.70		
Deduct stock 2/28	1099.40		
Cost of Coal sold	1035.30		
Balance c/d	223.70		
	1259		1259
Balance gross profit carried to Profit & Loss	243.42	Balance b/d	223.70
		Hay & Feed, gross profit	19.72
	243.42		243.42

PROFIT & LOSS SECTION

Delivery Expense	104.03	Balance from trading	243.42
General Expense	63		
Office Expense	61.05		
Balance, net profit c/d	15.34		
	243.42		243.42

BALANCE SHEET

ASSETS		LIABILITIES		
Cash	3716.54	Lehigh Coal Co.		327.82
Accounts Receivable	365.62	Middlestates Coal Co.		303.80
Stock of Coal	1099.40			631.62
Hay & Feed	1226			
Horses & Wagons	1020	Wm. Kingsley:		
Office Furniture	100	Invested	6977.60	
Horse Feed	35	Profit	15.34	6992.94
Prepaid Insurance	12			
Unexpired Rent	50			
	7624.56			7624.56

2 **LEDGER**

LEWIS FAIRCHILD, CAPITAL

Mar. 16	Present Cap.	2.93	Mar. 11	Present Cap.	1
			16	Profit & Loss	1.93
		2.93			2.93
			Mar. 16	Present Cap.	2.93

CASH

Mar. 11		1	Mar. 16		3.48
16		5.98	16		.57
			16	Balance	2.93
		6.98			6.98
Mar. 17	Balance	2.93			

PURCHASES

Mar. 16		3.48	Mar. 16	Stock of Papers	3.48

STOCK OF PAPERS

Mar. 16	Purchases	3.48	Mar. 16	Profit & Loss	.17
			16	Sales Acct.	3.31
		3.48			3.48

SALES

Mar. 16	Stock of Papers	3.31	Mar. 11		.60
16	Profit & Loss	2.67	12		.56
			13		.66
			14		1.18
			15		1.30
			16		1.68
		5.98			5.98

EXPENSE

Mar. 16		.57	Mar. 16	Profit & Loss	.57

Profit & Loss

Mar. 16	Expense	.57	Mar. 16	Sales Acct.	2.67
16	Stock of Papers	.17			
16	Lewis Fairchild	1.93			
		2.67			2.67

(*a*) 3.31 (*b*) 5.98
(*c*) 2.67 (*d*) 1.93
94½ % on the "Tribunes"
30 % on the "Posts"
Net profit per cent 193

3

LEDGER

Joseph Jackson, Capital

Oct. 18	Present Cap.	331.50	Oct.	1		300
				18	Profit & Loss	31.50
		331.50				331.50
			Oct.	19	Present Cap.	331.50

Cash

Oct. 1		300	Oct.	1		300
10		80		16		12.50
15		120		18	Balance	247.50
18		60				
		560				560
Oct. 19	Balance	247.50				

Sales

Oct. 18		195	Oct.	10		80
18	Profit & Loss	65		15		120
				18		60
		260				260

Expense

Oct. 16		12.50	Oct.	18	Profit & Loss	33.50
18	Feed Acct.	21				
		33.50				33.50

Profit and Loss

Oct. 18	Expense	33.50	Oct.	18	Sales	65
18	Jos. Jackson	31.50				
		65				65

Balance Sheet

	Cash	247.50	Jos. Jackson, invested	300
	Hay	84	Jos. Jackson, profit	31.50
		331.50		331.50

4

LEDGER

Purchases

June 30		4312.50	June	30	Stock of Goods	4312.50

Stock of Goods

June 1	Inventory	8765	June	30	Inventory	7658.75
30	Purchases	4312.50		30	Sales Acct.	5418.75
		13077.50				13077.50
July 1	Inventory	7658.75				

SALES

June 30	Stock of Goods	5418.75	June 30		6453.20
30	Profit & Loss	1034.45			
		6453.20			6453.20

EXPENSE

June 30		325.34	June 30	Profit & Loss	325.34

PROFIT & LOSS

June 30	Expense	325.34	June 30	Sales Acct.	1034.45
30	Proprietor	709.11			
		1034.45			1034.45

6

LEDGER

(STUDENT), CAPITAL

Dec. 23		5.50	Dec. 1	Present Capital	550
23	Present Capital	598.15	23	Profit & Loss	53.65
		603.65			603.65
			Dec. 23	Present Capital	598.15

CASH

Dec. 1		550	Dec. 1		550
5		37.50	23		75.60
12		93.75	23	Balance	598.15
23		542.50			
		1223.75			1223.75
Dec. 24	Balance	598.15			

PURCHASES

Dec. 1		550	Dec. 23	Stock of Apples	550

STOCK OF APPLES

Dec. 23	Purchases	550	Dec. 23	(Student)	5.50
			23	Profit & Loss	22
			23	Sales	522.50
		550			550

SALES

Dec. 23	Stock of Apples	522.50	Dec. 5		37.50
23	Profit & Loss	151.25	12		93.75
			23		542.50
		673.75			673.75

EXPENSE

Dec. 23		75.60	Dec. 23	Profit & Loss	75.60

PROFIT & LOSS

Dec. 23	Expense	75.60	Dec. 23	Sales Acct.	151.25
23	Stock of Apples	22			
23	(Student)	53.65			
		151.25			151.25

6 **CASH**

Dec.	1	Balance		215
	5	Hiram Kennedy	135	
	8	Harvey Jerome	200	
	13	Cash Dr.		335
				550
Dec.	14	Balance		4 55

BOOK

			Exp.		Sund.	
Dec.	1	stationery	15	30		
	5	J. D. Hewlett, Private			25	
	6	Purchases			15	75
	6	wages for the week	35			
	6	postage & petties	3	65		
	9	E. A. Barnes & Co.			311	60
	10	Dec. rent, Henry Chave	65			
	12	office supplies	1	75		
	13	Purchases			37	40
	13	wages for the week	35			
	13	Expense Dr.	155	70	155	70
	13	Cash Cr.			545	45
	13	Balance			4	55
					550	

6

PURCHASES

Dec.	2	E. A. Barnes & Co.	630
	11	Central States Grain Co.	990
	13	Purchases Dr.	1620

SALES

Dec.	3	Harvey Jerome	411.50
	6	B. A. Manion	194.50
	8	Hiram Kennedy	130
	13	Sales Cr.	736

6

JOURNAL

December

	6		
E. A. Barnes & Co.		17	
Purchases			17
	13		
Sales		53.50	
B. A. Manion			53.50

6

TRIAL BALANCE

December 13

Jas. D. Hewlett, Capital		2000
Jas. D. Hewlett, Private	75	
Cash	4.55	
Stock of Goods	1650.75	
Purchases	2443.05	
Sales		1649.90
Expense	332.05	
Furniture & Fixtures	265	
E. A. Barnes & Co.		613
Central States Grain Co.		990
Hiram Kennedy	130	
Harvey Jerome	211.50	
B. A. Manion	141	
	5252.90	5252.90

6 TRADING AND PROFIT & LOSS STATEMENT

December 13

TRADING STATEMENT

Stock of Goods 11/1		1650.75	Sales for the period	1703.40
Purchases	2406.90		Less returns	53.50
Less Returns	17			1649.90
	2389.90			
Add freight	53.15	2443.05		
		2955.35		
Deduct Inventory 12/13		4093.80		
Cost of goods sold		1138.45		
Balance, gross profit carried down		511.45		
		1649.90		1649.90

PROFIT & LOSS STATEMENT

Expense	299.55	Balance from trading	511.45
Balance, net profit carried to J. D. Hewlett a/c	211.90		
	511.45		511.45

7 **CASH**

				Sund.		Sales Disc.		Net Cash	
May	1	Wyckoff & Co.		490		14	70	475	30
	12	Henry J. Colburn		345	70	6	91	338	79
	15	Jno. W. Hammond		125	80	3	77	122	03
	15	Wyckoff & Co.		365		7	30	357	70
	15	Henry J. Colburn		250		7	50	242	50
	18	Jno. W. Hammond		250				250	
	19	Jno. W. Hammond		68	75	2	06	66	69
	20	Wyckoff & Co.		450				450	
	28	Henry Colburn		400		12		388	
	28	Wyckoff & Co.		118	75	1	19	117	56
	30	Henry J. Colburn		325		9	75	315	25
	30	Jno. W. Hammond		96		2	88	93	12
	30	Sales Disc. Dr.				68	06		
	30	Cash Dr.						3216	94
								3216	94
Apr.	1	Balance bro't down	1837.88						

BOOK

			Sund.		Purc. Disc.		Net Cash	
May	8	Emerson & Hough	165	50	4	97	160	53
	17	Emerson & Hough	139		4	17	134	83
	21	Emerson & Hough	245	60	7	37	238	23
	23	Emerson & Hough	345				345	
	24	Crouse, Egbert & Co.	112	50	1	13	111	37
	27	Crouse, Egbert & Co.	300				300	
	28	Crouse, Egbert & Co.	90			90	89	10
	30	Purchase Disct. Cr.			18	54		
	30	Cash Cr.					1379	06
	30	Balance					1837	88
							3216	94

7

TRIAL BALANCE

May 30

Proprietor		1887.40
Cash	1837.88	
Purchase Discount		18.54
Sales Discount	68.06	
	1905.94	1905.94

JOURNAL

January

1		5		
	Notes Receivable		167.50	
	Richter & Roche			167.50
2		6		
	Notes Receivable		300	
	Curtis & Collins			300
3		8		
	Notes Receivable		372.60	
	McCreary & Co.			372.60
4		Aug. 5		
	Notes Receivable		650	
	Oliver Courtney			650
5		Oct. 1		
	Cash		650	
	Notes Receivable			650
6		Aug. 4		
	Notes Receivable		325.50	
	T. W. Horn			325.50
7		Aug. 7		
	Notes Receivable		450	
	O. F. Sheppard			450
8		Sept. 3		
	Notes Receivable (Renewals)		325.50	
	Notes Receivable			325.50

9	Sept. 18		
	Cash	325.50	
	Notes Receivable (Renewals)		325.50
10	Oct. 5		
	Cash	250	
	Notes Receivable (Renewals)	200	
	Notes Receivable		450
11	Oct. 7		
	Thomas Watson	200	
	Notes Receivable		200
12	Aug. 8		
	Notes Receivable	567.75	
	Dewitt Stilson & Co.		567.75
12	Aug. 15		
	Notes Receivable	360	
	Dewitt Stilson & Co.		360
12	Aug. 20		
	Notes Receivable	250.25	
	Dewitt Stilson & Co.		250.25
13	Aug. 21		
	Charles Bettis	567.75	
	Notes Receivable		567.75
14	Sept. 18		
	Dewitt Stilson & Co.	360	
	Notes Receivable		360
15	Sept. 20		
	Cash	160	
	Notes Receivable (Renewals)	200	
	Dewitt Stilson & Co.		360
16	Oct. 5		
	Dewitt Stilson & Co.	567.75	
	Cash		567.75
17	Oct. 5		
	Dewitt Stilson & Co.	450.25	
	Notes Receivable		250.25
	Notes Receivable (Renewals)		200

DEWITT STILSON & Co.

Aug.	8	567.75	Aug.	8		567.75
	15	360		15		360
	20	250.25		20		250.25
Sept.	18	360	Sept.	20		360
Oct.	5	567.75	Oct.	30		509
	5	450.25		30	Bad debts	509
		2556				2556

19 Oct. 30

Notes Receivable		509	
Dewitt Stilson & Co.			509

20

Notes Receivable			2693.15	
Oct.	4	J. & M. Andrews		350
	7	Wheelock & Co.		456.75
	13	Ward & Helligas		325
	13	J. & M. Andrews		400.50
	21	Ward & Helligas		455.50
	22	Howard Lamberson		180
	25	Wheelock & Co.		325.40
	29	Howard Lamberson		200

21 Nov. 3

Cash	351.75	
Notes Receivable		350
Interest		1.75

24 Nov. 1

Formula: (1) 330.28; (2) Jan. 23; (3) 83 days; (4) $4.57; (5) $325.71; (6) .31

Cash	325.71	
Notes Receivable		325.40
Interest & Discount		.31

25 Nov. 1

Formula: (1) $455.50; (2) Dec. 20; (3) 49 days; (4) $3.72; (5) $451.78; (6) $3.72

Cash	451.78	
Interest & Discount	3.72	
Notes Receivable		455.50

26		Dec. 1		
	Cash		180.27	
	Notes Receivable			180
	Interest & Discount			.27
27		Oct. 14		
	Cash		350.58	
	Notes Receivable			350
	Interest & Discount			.58
28		Oct. 27		
	Cash		401.34	
	Notes Receivable			400.50
	Interest & Discount			.84
29		Dec. 1		
	Cash		200.06	
	Notes Receivable			200
	Interest & Discount			.06
30		Dec. 8		
	Howard Lamberson		200	
	Cash			200
31		Dec. 10		
	Notes Receivable (Renewals)		200	
	Howard Lamberson			200
32		Apr. 16		
	Notes Receivable		220	
	John L. Willard			220
33		May 17		
	John L. Willard		221.10	
	Notes Receivable			220
	Interest			1.10
34		Apr. 19		
	Notes Receivable		450	
	Walter Eddy			450
35		Apr. 20		
	Notes Receivable		300	
	Interest		.85	
	Henry Hughes			300.85

NOTE. — What the bank will give for this paper is the measure of its value.

36		July 1		
	Henry Hughes		307	
	Notes Receivable			300
	Cash			2.50
	Interest			4.50
37		May 17		
	Cash		450	
	Notes Receivable			450
38		July 24		
	Notes Receivable		850.60	
	J. H. Burton & Co.			835.29
	Interest & Discount			15.31
	Notes Payable			
39	(See Text)			
40		May 12		
	Troy Foundry Co.		650	
	Notes Payable			650
40		May 24		
	Van Dusen & Co.		725.50	
	Notes Payable			725.50
40		May 31		
	Van Dusen & Co.		245	
	Notes Payable			245
40		June 7		
	Troy Foundry Co.		225.50	
	Notes Payable			225.50
40		June 15		
	Troy Foundry Co.		325	
	Notes Payable			325
40		June 18		
	Van Dusen & Co.		312.75	
	Notes Payable			312.75

41		June 8		
	Notes Payable		725.50	
	Interest		1.81	
	Cash			727.31
41		June 30		
	Notes Payable		245	
	Cash			245
41		July 7		
	Notes Payable		225.50	
	Cash			225.50
41		Aug. 12		
	Notes Payable		650	
	Interest		9.75	
	Cash			659.75
41		Aug. 15		
	Notes Payable		325	
	Interest		3.25	
	Cash			328.25
41		Aug. 18		
	Notes Payable		312.75	
	Interest		3.13	
	Cash			315.88
42		Jan. 12		
	Purchases		324.50	
	E. M. Jennison			324.50
42		Jan. 12		
	E. M. Jennison		324.50	
	Notes Payable			324.50
43		Feb. 11		
	Notes Payable		324.50	
	Notes Payable (Renewals)			324.50

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	Notes Payable	June 8		
	Cash			246.50
	Interest & Discount			245.10
				1.40
(a)	Notes Receivable	May 5		
	Henry Olds			356.50
(b)	Jarvis Elliott	May 5		
	Notes Payable			356.50
46				
(a)	Cash	May 5		
	Henry Olds			356.50
(b)	Jarvis Elliott	May 5		
	Cash			356.50
47				
(a)	Jarvis Elliott	May 5		
	Cash			356.50
(b)	Cash	May 5		
	Henry Olds			356.50
48				
(a)	Notes Receivable	July 12		
	Taylor, Cooper & Co.			356.50
	Notes Receivable	July 9		
	O. M. Howard			1000
(b)	(Student)	July 9		
	Notes Receivable			1000
(c)	Taylor, Cooper & Co.	July 9		
	Notes Payable			1000

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February

	1		
Cash		200	
Stock of Goods		5370.50	
Furniture & Fixtures		215.70	
Andrew Hopkins, Capital			5786.20
	11		
Notes Receivable		37.65	
Marshall & Thomas			37.65
	13		
Cleveland & Co.		37.65	
Notes Receivable			37.65
	20		
Marshall & Thomas		37.65	
Cleveland & Co.			37.65

SALES BOOK

Feb. 2	Jas. Phelps	700.50
6	J. H. Weston	66
9	Marshall & Thomas	37.65
21	Sales Cr.	804.15

PURCHASE BOOK

Feb. 4	Standard Mfg. Co.	195
10	Gilbert & Co.	24
13	Cleveland & Co.	75
16	Smith Brothers	837.50
21	Purchases Dr.	1131.50

CASH

			Sund.		Sales Disc.		Net Cash	
Feb.	1	Balance					200	
	7	James Phelps	700	50	14	01	686	49
	7	Sales					437	20
	14	Sales					150	20
	21	J. H. Weston	66		1	32	64	68
	21	Sales					79	60
	21	Mdse. Discount Dr.			15	33		
	21	Cash Dr.					1618	17
							1618	17
Feb.	22	Balance					921	65

BOOK

			Sund.	Pur. Disc.	Net Cash
Feb.	5	Expense			15 50
	10	Expense			9 75
	14	Standard Mfg. Co.	195	3 90	191 10
	14	Expense			65
	18	Andrew Hopkins, Private			150
	19	Office Furniture			105
	20	Gilbert & Co.	24	48	23 52
	20	Cleveland & Co.			75
	21	Expense			54
	21	Expense			7 65
	21	Mdse. Discount Cr.		4 38	
	21	Cash Cr.			696 52
	21	Balance			921 65
					1618 17

EXERCISES 15 AND 16

TRIAL BALANCE

February 31

Andrew Hopkins, Capital		5786.20
Andrew Hopkins, Private	150	
Cash	921.65	
Stock of Goods	5370.50	
Purchases	1131.50	
Sales		1471.15
Mdse. Discount	10.95	
Expense	151.90	
Office Furniture	320.70	
Marshall & Thomas	37.65	
Smith Brothers	8094.85	837.50
		8094.85

LEDGER

Feb. 21 Expense
21 Bad Debts
21 Mdse. Discount
21 A. Hopkins, Private

Profit & Loss Account

		Feb. 21	Sales
	151.90		
	37.65		
	10.95		
	80.65		
	281.15		281.15

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June

8	Notes Receivable		
	H. G. Wheelock		281.15
			281.15
10	Delivery Equipment	96.40	
	Peerless Truck Co.		96.40
17	Notes Receivable	675	
	A. L. Rogers & Co.		675
		131.50	

PURCHASE BOOK

June 3	Pacific Grocery Co.	144.25
6	Smith & Wesson	172.80
17	Southern Grocery Co.	251
20	Pacific Grocery Co.	300
20	Purchases Dr.	868.05

SALES BOOK

June 5	Walter Carr	23.13
15	A. L. Rogers & Co.	131.50
20	John L. Stewart	256
20	Sales Cr.	410.63

CASH

				Sund.		Sales Disc.		Sales		Net Cash	
June	1	Balance	268.75								
	4	Richard F. Yale Capital								100	
	4	sales 1st to 4th inst.						230			
	6	" 5th & 6th "						86	40		
	9	Notes Receivable								96	40
	9	Interest & Disct. on above									06
	11	sales 8th to 11th						246			
	12	Walter Carr		23	13		46			22	67
	13	Davis & Co.								100	
	13	sales 12th & 13th						97	50		
	15	E. P. Graham								30	
	17	sales 15th to 17th						275			
	19	Davis & Co.								46	
	20	sales 18th to 20th						150			
	20	Notes Payable		500		1	5			495	
	20	Mdse. Disct. Dr.					46				
	20	Interest Dr.				5					
	20	Sales Cr.						1084	90	1084	90
	20	Cash Dr.								1975	03
	20	Balance June 1								268	75
										2243	78
June	21	Balance	126.28								

BOOK

			Sund.	Pur. Disc.	Exp.	Net Cash
June	2	Pacific Grocery Co.	250	7 50		242 50
	4	Watson Bros.	236 75	4 74		232 01
	6	clerk hire 46.50 postage etc. 5.75			52 25	
	13	clerk hire			46 50	
	13	Pacific Grocery Co.	144 25	4 33		139 92
	16	Delivery Expense				1 60
	16	Rent				100
	16	Insurance				15 50
	16	car fares, postage, petties			6 45	
	18	Southern Grocery Co.	251	7 53		243 47
	18	Inward Freight				34 60
	19	Davis & Co.				10
	20	R. F. Yale business trip			45 70	
	20	clerk hire 60 postage & petties 3.25			63 25	
	20	stationery Gray & Son in full			12 50	
	20	Peerless Truck Co.	675	33 75		641 25
	20	Notes Payable				230
	20	Mdse Disct. Cr.		57 85		
	20	Expense Dr.			226 65	226 65
	20	Cash Cr.				2117 50
	20	Balance				126 28
						2243 78

TRIAL BALANCE

June 20

Richard F. Yale, Capital		5762.90
Cash	126.28	
Notes Receivable	131.50	
Notes Payable		500
Stock of Goods	5513.50	
Purchases	868.05	
Sales		1495.53
Inward Freight	34.60	
Delivery Expense	1.60	
General Expense	226.65	
Rent	100	
Insurance	15.50	
Interest	4.94	
Mdse. Discount		57.39
Delivery Equipment	675	
Furniture & Fixtures	365	
E. P. Graham		30
John L. Stewart	256	
Smith & Wesson		172.80
Pacific Grocery Co.		300
	8318.62	8318.62

BUSINESS & FINANCIAL STATEMENT

June 1 to 20

Trading Section

Stock of Goods 6/1		5513.50	Sales:	
Purchases	868.05		Credit	410.63
Inward freight	34.60	902.65	Cash	1084.90
		6416.15		
Deduct Inventory 6/20		5397.94		
		1018.21		
Balance, gross profit, c/d		477.32		
		1495.53		1495.53

Profit & Loss Section

General Expense	226.65	Balance from trading	477.32
Delivery Expense	45.10		
Rent	100		
Insurance	15.50		
Balance, net profit c/d	90.07		
	477.32		477.32
Interest	4.94	Balance b/d	90.07
R. F. Yale, Private	142.52	Mdse. Disct.	57.39
	147.46		147.46

Richard F. Yale

Present Capital c/d	5935.42	Capital 6/1	5662.90
		Investment 6/4	100
		E. P. Graham (Old acct.)	30
		Profit b/d	142.52
	5935.42		5935.42

BALANCE SHEET

ASSETS			LIABILITIES	
Cash		126.28	Notes Payable	500
Notes Receivable		131.50	Accts. Payable	472.80
Accts. Receivable		256		972.80
		513.78	Current exp. unpaid	43.50
Stock of Goods		5397.94		1016.30
		5911.72	R. F. Yale, Capital	5935.42
Delivery Equip.	675.			
Furniture & Fixt.	365	1040		
		6951.72		6951.72

NOTE. — Some teachers may question the disposition of certain items in the foregoing summary. Forms of expression will, of course, always differ. Students should be allowed some latitude in the matter of form, so long as there is no violation of fundamental laws. It is thought, however, that, whatever form of statement is employed the following results should be shown: (1) net purchases, (2) net sales, (3) cost of goods sold, (4) gross profit, (5) net profit (the earning power of the business separate and distinct from the cost of financing transactions and capital earnings), (6) convertible assets, (7) fixed assets, (8) current liabilities, and (9) present capital. Other results should, of course, be shown in more advanced exercises.

The account of E. P. Graham is kept out of Profit & Loss for the reason that this item had been previously charged to the proprietor as a loss and has nothing to do with the earnings of this period.

PURCHASE BOOK

Mar.	1	B. Altman & Co.	1	1065
	8	Marshall Field & Co.	2	867.50
	9	Mdse. Purchases Dr.		1932.50
	12	Samuel Meyer	3	978.80
	17	Mohawk Glove Co.	4	245.60
	20	Mdse. Purchases Dr.		1224.40

SALES BOOK

Mar.	2	P. F. Miller	224.01
	3	Morse & Munro	79.92
	3	Hommel & Hertrich	485.
	5	The Alex. Olsen Co.	350
	9	David Kubie & Brother	220
	9	Salkin & Bernas	115.50
	9	Mdse. Sales Cr.	1474.43
	12	McCarthy Brothers	338
	12	Brooks & Son	316.80
	15	Warner Dry Goods Co.	190.50
	20	Mdse. Sales Cr.	845.30

CASH

			Sund.	Sales Disc.	Net Cash
Mar.	1	Balance			415 50
	1	W. A. Tanner Capital			3977 15
	5	S. N. Durland & Co.	320	6 40	313 60
	5	Geo. A. Beebe	156 50	3 13	153 37
	8	S. N. Durland & Co.	218 50	6 56	211 94
	9	Notes Receivable	240	I. 80	239 20
	9	Sales Discount Dr.		16 09	
	9	Interest & Discount Dr.		80	
				16 89	
					5310 76
Mar.	10	Balance bro't down			3789 21
	11	David Kubie & Bro.			220
	13	Morse & Munro	79 92	2 40	77 52
	15	Kenneth Cornell			57 50
	15	Alex Olsen Co.	350	10 50	339 50
	16	P. F. Miller	224 01	4 48	219 53
	17	McCarthy Bros.	338	6 76	331 24
	18	Notes Receivable	190 50	I. 86	189 64
	20	Sales Discount Dr.		24 14	
	20	Interest & Discount Dr		86	
				25	
					5224 14
Mar.	21	Balance			2758

BOOK

			Sund.	Pur. Disc.	Exp.	Net Cash
Mar.	1	Mar. rent			175	
	2	Office Furniture				45
	2	Marshall Field & Co.	327 60	6 55		321 05
	2	postage & petties			3 75	
	3	office supplies			8 15	
	5	books & sta.			18 75	
	5	office supplies			6 50	
	6	car fares & petties			2 30	
	6	5 T. coal @ 7.00			35	
	6	wages			65	
	8	Notes Payable				400
	8	H. B. Claflin & Co.	450	13 50		436 50
	9	postage telegrams & petties			4 55	
	9	Purchase Discount Cr.		20 05		
	9	Expense Dr.			319	319
	9	Balance				3789 21
						5310 76
	10	petties			1 25	
	11	B. Altman & Co.	1065	31 95		1033 05
	12	repairs to store			105 65	
	12	car fares & petties			5 60	
	12	insurance on stock			35	
	13	wages			65	
	13	printing			24 60	
	15	Purchases				26 75
	15	Shipping Exp.	125	2 50		122 50
	17	postage & telegrams			5 40	
	17	Mar. Tel. service			14 50	
	18	Samuel Meyer	978 80	29 36		949 44
	19	Drayage				8 75
	20	wages			65	
	20	petties			3 65	
	20	Purchase Discount Cr.		63 81		
	20	Expense Dr.			325 65	325 65
	20	Balance				2758
						5224 14

TRIAL BALANCE

March 9

O. J. Sullivan, Capital		7954.30
W. A. Tanner, Capital		3977.15
Cash	3789.21	
Office Furniture	1010	
Stock of Goods	6758.90	
Purchases	1932.50	
Sales		1474.43
Mdse. Discount		3.96
Interest	.80	
General Expense	319	
Kenneth Cornell	57.50	
P. F. Miller	224.01	
Morse & Munro	79.92	
Hommel & Hertrich	485	
The Alex. Olsen Co.	350	
David Kubie & Brother	220	
Salkin & Bernas	115.50	
Marshall Field & Co.		867.50
B. Altman & Co.		1065
	15342.34	15342.34

TRIAL BALANCE

March 20

O. J. Sullivan, Capital		7954.30
W. A. Tanner, Capital		3977.15
Cash	2758	
Office Furniture	1010	
Stock of Goods	6758.90	
Purchases	3183.65	
Sales		2319.73
Mdse. Discount		43.63
Interest	1.66	
General Expense	644.65	
Shipping Expense	125	
Drayage	8.75	
Hommel & Hertrich	485	
Salkin & Bernas	115.50	
Brooks & Son	316.80	
Marshall Field & Co.		867.50
Mohawk Glove Co.		245.60
	15407.91	15407.91

JOURNAL

March

	18		
Notes Receivable		190.50	
Warner Dry Goods Co.			190.50
	20		
Stock of Goods (new acct.)		8106.40	
Furniture & Fixtures " "		1000	
Shipping Expense " "		100	
General Expense " "		31.50	
Stock of Goods			8106.40
Furniture & Fixtures			1000
Shipping Expense			100
General Expense			31.50
	20		
General Expense		14.50	
General Expense (new acct.)			14.50
	20		
Stock of Goods		3183.65	
Purchases			3183.65
	20		
Sales		1836.15	
Stock of Goods			1836.15
	20		
Sales		483.58	
Mdse. Discount		43.63	
Profit & Loss			527.21
	20		
Profit & Loss		673.06	
General Expense			627.65
Interest			1.66
Shipping Expense			25
* Drayage			8.75
Furniture & Fixtures			10
	20		
O. J. Sullivan, Private		97.23	
W. A. Tanner, Private		48.62	
Profit & Loss			145.85

* Ordinarily drayage, like freight, should be run in two accounts — drayage in, and drayage out — the former to be closed into purchases, the latter into selling expense. The item in this exercise, however, is small, includes other things, and is therefore carried to profit and loss.

1

LEDGER

PURCHASES

Dec. 31		4765.82	Dec. 7	Returns	76.85
			21	Allowances	17.82
			30	Stock of Goods	4671.15
		4765.82			4765.82

STOCK OF GOODS

Dec. 1		8900	Dec. 5	Loss by fire	675
			31	Inventory	3000
			31	Sales a/c	5225
		8900			8900
Jan. 1	Inventory	3000			

OFFICE FURNITURE

Dec. 1		325	Dec. 7	Sale	12.50
23		25	31	Inventory	325
			31	Profit & Loss	12.50
		350			350
Jan. 1	Inventory	325			

CASH

Dec. 1		6453.40	Dec. 31	Paid	3415.67
			31	* Profit & Loss	10
			31	Balance	3027.73
		6453.40			6453.40
Jan. 1	Balance	3027.37			

INWARD FREIGHT

Dec. 31		145.67	Dec. 31	Out. Freight	12.07
			31	Office Fur.	4.17
			31	Purchases	129.43
		145.67			145.67

HORSES

Dec. 1		760	Dec. 16	Profit & Loss	150
18		175	24	Cash	100
			31	Inventory	685
		935			935
Jan. 1	Inventory	685			

EXPENSE

Dec. 31		418	Dec. 31	Freight — In.	13.50
			31	Inventory	30.50
			31	Profit & Loss	374
		418			418
Jan. 1	Inventory	30.50			

* Counterfeit bill.

2 LEDGER

Stock of Cotton

Apr.	2	Purchases	5881.52	Apr.	30	* Inventory	1214.11
	2	Freight	125		30	Sales a/c	4792.41
			6006.52				6006.52
May	1	Inventory	1214.11				

Sales

Apr.	30	Stock of Cotton	4792.41	Apr.	4		1469.44
	30	Profit & Loss	1205.79		9		1558.29
					15		1495.94
					24		1474.53
			5998.20				5998.20

Expense

Apr.	2		27.50	Apr.	30	Profit & Loss	125
	16		12.50				
	30		25				
	30		60				
			125				125

Profit & Loss

Apr.	30	Expense	125	Apr.	30	Sales a/c	1205.79
	30	A. L. Kane	1080.79				
			1205.79				1205.79

3 TRIAL BALANCE

August 31

Joseph Kahn, Capital		6205.12
Cash	1470.02	
Notes Receivable	2000	
A. P. Hill & Co.	3508.76	
Notes Payable		2500
Strong Bros.		365.25
Stock of Goods	4420.16	
Purchases	3013.20	
Sales		5590.20
Expense	456.80	
Interest	20.41	
Profit & Loss		112.16
Mdse. Discount		116.62
	14889.35	14889.35

* This item includes $25 freight, cost f. o. b. buyer's place.

LEDGER

Profit & Loss Acct.

Aug. 31	Expense	456.80	Aug. 1	Balance		112.16
31	Interest	28.61	31	Sales		1038.04
31	Jos. Kahn	781.41	31	Mdse. Disct.		116.62
		1266.82				1266.82

Balance Sheet

Cash	1470.02	Notes Payable		2500
Notes Receivable	2000	Strong Bros.		365.25
A. P. Hill & Co.	3508.76	Interest Accrued		16.45
Stock of Goods	2881.20	Jos. Kahn:		
Interest Accrued	8.25	Invested	6205.12	
		Profit	781.41	
		Present Capital		6986.53
	9868.23			9868.23

4

LEDGER

James Andrews

Nov. 30	Present Capital	15624.32	Jan. 1	Capital	12250
			Nov. 30	Profit	3374.32
		15624.32			15624.32
			Dec. 1	Present Capital	15624.32

Malcolm Andrews

Nov. 30	Present Capital	15624.32	Jan. 1	Capital	12250
			Nov. 30	Profit	3374.32
		15624.32			15624.32
			Dec. 1	Present Capital	15624.32

Stock of Ice

Feb. 15	Cost of harvesting	4065.60	Nov. 30	Shrinkage	548.03
15	Packing Mat.	150	30	Sales	3667.57
		4215.60			4215.60

Sales

Nov. 30	Stock of Ice	3667.57	Apr. 30	709.25
30	Profit & Loss	13302.79	May 31	1263.45
			June 30	2778.75
			July 31	3986.55
			Aug. 31	3941.25
			Sept. 30	2840.50
			Oct. 31	869.30
			Nov. 30	581.31
		16970.36		16970.36

SHRINKAGE

Nov. 30	Stock of Ice	*548.03	Nov. 30	Profit & Loss	548.03

EXPENSE

Nov. 30	Delivery	1697.04	Nov. 30	Profit & Loss	4621.60
30		2456.76			
30		467.80			
		4621.60			4621.60

PROFIT & LOSS

Nov. 30	Shrinkage	548.03	Nov. 30	Sales	13302.79
30	Expense	4621.60			
30	Depreciation	536			
30	Bad Debts	848.52			
30	Jas. Andrews	3374.32			
30	Malcolm Andrews	3374.32			
		13302.79			13302.79

(a) Profit per cent, 27½
(b) Shrinkage per cent, 13 *

6

LEDGER

COST OF PLANTING

Plowing	25	Stock of Potatoes	390.75
Harrowing	14		
Fertilizer	230		
Seed	91.25		
Disinfecting	6.75		
Cutting	7.50		
Planting	16.25		
	390.75		390.75

COST OF MAINTENANCE

Harrowing	11	Stock of Potatoes	114
Cultivation	28		
Spraying	60		
Hoeing, etc.	15		
	114		114

HARVESTING

Harvesting & Storing	150	Stock of Potatoes	150

GENERAL EXPENSE

Land Rental	35	Stock of Potatoes	132.50
Storing & Marketing	65		
Depreciation	32.50		
	132.50		132.50

* 13 % of cost of production.

Stock of Potatoes

Cost of Planting	390.75	Inventory	107.25
Maintenance	114	Sales	680
Harvesting	150		
Exp. & depreciation	132.50		
	787.25		787.25
Inventory	107.25		

Sales

Stock of Potatoes	680	1500 bu. @ 55¢	825
Undelivered	32.50	500 bu. @ 45¢	225
Profit & Loss	370	50 bu. @ 65¢	32.50
	1082.50		1082.50
		Undelivered	32.50

Profit & Loss

R. D. King	185	Sales	370
George Shone	185		
	370		370

R. D. King, Private

Profit	185

George Shone, Private

Profit	185

Note. — General Expense is closed into Stock account in this exercise in order to emphasise the fact that "expense" is a part of the cost of production. In a mercantile business, it is convenient to treat expenses as "losses"; but in a productive or manufacturing industry, overhead charges are just as much a part of cost of production as raw material and direct labor.

PURCHASE BOOK

May	27	Hudson Rubber Co.	157.25
June	1	Goodman Rubber Co.	123
	7	Mdse. Purchases Dr.	280.25
June	4	Radcliffe & Son	62.90
	1	Cincinnati Trunk Co.	79.90
July	15	Field & Potter	534.40
	15	Mdse. Purchases Dr.	677.20
June	18	Hoyt Shoe Co.	110.40
	10	Williams, Brown & Co.	1.30
	16	Durland Bros.	44.40
	12	Dunn & Douglas	268.25
	15	Hilliard & Co.	246.50
July	1	Hoyt Shoe Co.	86.50
	30	Mdse. Purchases Dr.	757.35

CASH

				Sund.		Acct. Rec.		Sales	
June	1	Balance	968.90						
	2	Sales 1st & 2d inst.						286	78
	2	W. S. Burtis 18.65							
		Wm. Pettit 7							
		A. K. Burtis 24.30				49	95		
	3	Sales for day						176	40
	4	J. Conerty 2.75							
		Albert Jones 10.25							
	4	Lawrence Kubie 6.35				19	35		
		Sales for day						122	85
	5	Sales for day						120	
	6	Edw. Cassidy 15.65							
		Sarah Gamsu 5							
		Mrs. C. Williams 3.40				24	05		
	6	Sales for day						318	22
	7	Sales Cr.		1024	25			1024	25
	7	Accts. Receivable Cr.		93	35	93	35		
	7	Cash Dr.		1117	60				
	7	Balance June 1		968	90				
				2086	50				
June	8	Balance	1657.11						
	9	Second Nat'l Bank Stock		550					
	9	Sales 8th & 9th inst.						245	60
	10	Sales for day						87	10
	11	Sales for day						125	60
	13	Sales 12th & 13th inst.						318	50
	15	Sales for day						124	05
	16	Sales Cr.		900	85			900	85
	16	Cash Dr.		1450	85				
	16	Balance June 8		1657	11				
				3107	96				

BOOK

			Sund.	Pur. Disc.	Exp.	Net Cash
June	1	Hilliard & Co.	25 60	51		25 09
	1	telephone			7 50	
	2	petty expenses			2 75	
	4	Purchases				3 55
	4	Bagg Bro's (P. A.)				4 18
	4	Verdon & Mott.	101 10	2 02		99 08
		petty expenses			4 75	
	5	Goodman Rubber Co.	123	3 67		119 33
	6	postage & petties			3 76	
	6	Wages				59 40
	6	A. L. Knapp, Private				100
	7	Purchase Disc. Cr.		6 20		
	7	Expense Dr.			18 76	18 76
	7	Cash Cr.				429 39
	7	Balance				1657 11
						2086 50
June	9	Notes Payable				200
	9	Int. & Disc.				1 83
	9	Notes Payable				250
	9	Int. & Disc.				83
	10	Cincinnati Trunk Co.	79 90	1 60		78 30
	10	C. H. Young Co. (P. A.)	18 50	37		18 13
	11	Dunn & Douglas	231 50	7 42		224 08
	11	Advertising				16 75
	12	wrapping paper			11 56	
	13	postage & petties			9 27	
	13	Wages				63
	15	Hilliard & Co.	94 40	3 78		90 62
	15	Hines & Hurd	241 92	16 93		224 99
	15	Radcliffe & Son	62 90	1 26		61 64
	16	Grant & Whitman (P. A.)	48 50	1 46		47 04
	16	Purch. Disc. Cr.		32 82		
	16	Expense Dr.			20 83	20 83
	16	Cash Cr.				1298 04
	16	Balance				1809 92
						3107 96

CASH

				Sund.		Acct. Rec.		Sales	
June	16	Balance	1809.92						
	17	Sales 16th and 17th inst.						240	12
	18	Sales for day						200	
	19	Sales for day						200	
	20	Bldg. Repairs		1100					
	20	Fire of June 16th		750					
		Maud Helmar 13.40							
		J. G. Walker 5							
		Chas. Wright 90¢							
		Bernard Gutwillig 7.85							
		Mrs. H. L. Mark 10.15				37	30		
	20	Sales for day						211	30
	20	Fire of June 16th		164	50				
	22	Sales 21 and 22 inst.						117	60
	22	Fire of June 16th		186	50				
	23	Sales for day						98	
	23	Fire of June 16th		112	20				
	24	C. A. McCreary 7.50							
		Ruth Bull 5							
		Barlett Bro's 18.50							
		Mrs. J. Hinkley 2.75							
		Mary Curtis 13							
		J. Adolscheck 3.75				50	50		
	24	Sales for day						130	90
	24	Fire of June 16th		86	54				
	25	Sales for day						155	
	25	Fire of June 16th		65	75				
	26	Ed. Rich 50¢							
		Myrtle Greene 1.25							
		Geo. S. Stewart 13.50				15	25		
	27	Sales 26th and 27th inst.						240	95
	27	Fire of June 16th		165					
	27	Notes Payable		4000					
	29	Fire of June 16th		275					
	29	Sales for day						195	
	30	W. W. Murray 8.75							
		P. L. Brown 2.50							
		N. Y. Construction Co. 23							
		Mrs. Frank Jones 1.50				35	75		
	30	Sales for day						148	50
	30	Sales Cr.		1937	37			1937	37
	30	Accts. Receivable Cr.		138	80	138	80		
	30	Cash Dr.		8981	66				
	30	Balance June 16th		1809	92				
				10791	58				
July	1	Balance	1109.06						

BOOK

			Sund.		Pur. Disc.		Exp.		Net Cash	
June	17	A. L. Knapp, Private							50	
	17	petty disbursements					8	65		
	17	Purchases							9	75
	20	telegrams, carfares, petties					13	50		
	20	Wages							63	
	20	Repairs Contract							200	
	20	Fire of June 16th							4	25
	22	Bagg Bro's (P. A.)	20	90		42			20	48
	23	petty expenses					3	45		
	23	William Brown & Co.							1	30
	26	Purchases							12	65
	27	parcel post charges						35		
	27	Wages							63	
	27	postage and petties					4	75		
	27	Int. and Disc.							60	
	29	Hoyt Shoe Co.	110	40	2	21			108	19
	29	Sales							4	75
	30	Mortgage Payable							9000	
	30	Interest on Mortgage							41	25
	30	petty expenses						50		
	30	lighting for June					11	70		
	30	Purch. Disc. Cr.			2	63				
	30	Expense Dr.					42	90	42	90
	30	Cash Cr.							9681	52
	30	Profit & Loss							1	
	30	Balance							1109	06
									10791	58

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	June		
	6		
A. L. Knapp		9.75	
Stock of Mdse.			9.75
	6		
Wages		3.60	
Stock of Mdse.			3.60
	6		
Accts. Receivable		51.50	
Sales			51.50
	13		
Accts. Receivable		36.45	
Sales			36.45
	15		
Store Fixtures		48.50	
Grant & Whitman			48.50
	16		
Field & Potter		69.15	
Purchases			69.15
	18		
Bldg. Repairs		850	
Repairs Contract			850
	19		
Fire of June 16th		1800	
Stock of Mdse.			1800
	20		
Accts. Receivable		55.45	
Sales			55.45
	20		
Expense		20.90	
Bagg Bros. (P. A.)			20.90
	27		
Field & Potter		3.60	
Stock of Mdse.			3.60
	27		
Accts. Receivable		18.50	
Sales			18.50
	July		
	1		
A. L. Knapp, Capital		29000	
Real Estate			29000
	1		
A. L. Knapp, Capital		4328.25	
E. C. Knapp, Capital			4328.25

CONTINUOUS TRIAL BALANCE

	June 6, 19—				June 16, 19—				June 30, 19—			
A. L. Knapp, Cap.			41550	20			41550	20			41550	20
A. L. Knapp, Priv.	109	75			109	75			159	75		
Cash	1657	11			1809	92			1109	06		
Accts. Receivable	425	65			462	10			397	25		
Notes Payable			450								4000	
Petty Accts. Payable			18	50								
Mortgage Payable			9000				9000					
Stock of Mdse.	19754	65			19754	65			17951	05		
Purchases	283	80			961				1671	60		
Sales			1075	75			2013	05			4019	62
Advertising					16	75			16	75		
Fire of June 16th											1	24
Purch. Disc.			6	20			39	02			41	65
Int. & Disc.			2			66			103	91		
Expense	18	76			39	59			101	39		
Wages	63				126				252			
Insurance	40				40				40			
Bldg. Repairs											250	
Profit & Loss									1			
Store & Office Fixtures	975				1023	50			1023			
Real Estate	29000				29000				29000	50		
Second Nat'l Bank Stock	500						50				50	
Dunn & Douglas			231	50							268	25
Hilliard & Co.			94	40							246	50
Hines & Hurd			241	92								
Hudson Rubber Co.			157	25			157	25			157	25
Field & Potter							534	40			461	65
Hoyt Shoe Co.											86	50
Durland & Co.											44	40
Repairs Contract (J. Kaiser & Son)											650	
	52827	72	52827	72	53343	92	53343	92	51827	26	51827	26

BUSINESS AND FINANCIAL STATEMENT

June 1 to 30

TRADING ACCOUNT

Stock of goods, 6/1	17951.05	Sales for period	4019.62
Purchases during period	1671.60		
	19622.65		
Stock of Goods, 6/30	16642.50		
Cost of goods sold	2980.15		
Balance, gross profit c/d	1039.47		
	4019.62		4019.62

PROFIT & LOSS ACCOUNT

Cash short		1	Balance from Trading		1039.47
Bad debt J. Muller		18.75	Purchase Disct.		41.65
Int. & Disct.		103.91			
Wages	252				
Unpaid Wages	21	273			
Expense		101.39			
Advertising		16.75			
Insurance		7			
Balance, net profit c/d		559.32			
		1081.12			1081.12
Fire of June 16th		17.01	Balance b/d		559.32
Balance		592.31	Second Nat'l Bank Stock		50
		609.32			609.32

BALANCE SHEET

ASSETS			LIABILITIES		
Cash	1110.06		Notes Payable		4000
short	1	1109.06	Accounts Payable:		
Accts. Receivable	397.25		Dunn & Douglas	268.25	
Bad debt, J. Muller	18.75	378.50	Hilliard & Co.	246.50	
Stock of Merchandise		16642.50	Field & Potter	461.65	
Store & Ofc. Fixtures		1023.50	Hudson Rubber Co.	157.25	
Real Estate		29000	Hoyt Shoe Co.	86.50	
Unexpired Insurance		33	Durland & Co.	44.40	1264.55
			Unpaid Wages		21
			Advertising (Fire acct.)		18.25
			Total		5303.80
			Repairs contract (J. Kaiser)		650
			Building Repairs		250
			A. L. Knapp:		
			Invested	41550.20	
			Drawings	159.75	
				41390.45	
			Profit b/d	592.31	
			Present Capital		41982.76
		48186.56			48186.56

4 ASSETS AND LIABILITIES

Assets		Liabilities		
Cash	4500	Notes Payable	2500	
Notes Receivable	3300	Accts. Payable	5500	
Accts. Receivable	8000	Total		8000
Stock of Goods	17500			
Great Northern Bank Stock	3000	Present Capital		33800
Real Estate	5500	Total Investment		21000
Total	41800	Net profit of firm		12800

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June 30

Cash	4500	
Notes Receivable	3300	
Accts. Receivable	8000	
Stock of Goods	17500	
Gt. Northern Bank Stock	3000	
Real Estate	5500	
Notes Payable		2500
Accts. Payable		5500
F. DeGroot, Investment		10500
F. DeGroot, Private		6400
J. P. Mitchell, Investment		10500
J. P. Mitchell, Private		6400

5 FINANCIAL STATEMENT

Assets		
Cash on deposit	967.10	
Notes Receivable	860	
Accounts Receivable	855.22	
Stock of Goods	6785.30	
Furniture & Fixtures	380	9847.62

Liabilities		
Notes Payable	475	
Accounts Payable	1081.04	1556.04
W. F. Hildreth, Capital	7865	
W. F. Hildreth, Private	426.58	
		$291.58

6 (a) BUSINESS AND FINANCIAL STATEMENT

June 30

ASSETS			
Cash	7300		
Currency	30		
Notes Receivable	4960		
Accounts Receivable	6320		
Stock of Goods	8130		
Real Estate	26400	53140	
LIABILITIES			
Notes Payable	2276		
Mortgage Payable	12000		
Interest accrued	150		
Rent accrued	240	14666	
A. B. Williams, Capital			38474
TRADING SECTION			
Sales for the period		49820	
Purchases during the period	40480		
Deduct goods in stock 6/30	8130		
Cost of goods sold		32350	
Gross profit		17470	
PROFIT & LOSS SECTION			
Expenses paid	3052		
Rent accrued	240		
Interest on Mtg. accrued	150	3442	
Apparent profit		14028	
A. B. Williams, investment		24300	38328
Discrepancy			146

6 (b) Profit is the difference between former and present capital. If Williams' ownership at the beginning was \$24300 and his net ownership now is \$38474, he must have made a profit of the difference, or \$14174. The data given in the problem must have been incomplete.

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July

6 (c)	1		
Cash		7300	
Currency		30	
Notes Receivable		4960	
Accounts Receivable		6320	
Stock of Goods		8130	
Real Estate		26400	

Notes Payable	2276
Mortgage Payable	12000
Interest accrued	150
Rent accrued	240
A. B. Williams, Profit	14174
A. B. Williams, Capital	24300

JOURNAL

May

1			
Cash		300.15	
Notes Receivable		300	
H. B. Whitlock		212.60	
Stewart Treat		165.70	
W. J. Crossman		317	
Stock of Goods		7168.35	
Real Estate		8000	
Horses		900	
Wagons & Harnesses		465	
Furniture & Fixtures		125	
Feed		135	
Mortgage Payable			3500
Wages			18.75
Fisher & Co.			171.28
Reed & Rice			212.70
John R. Parker, Capital			14186.07
3			
Returned Sales		42	
Stewart Treat			42
4			
Reed & Rice		70	
Returned Purchases			70
17			
National Gypsum Co.		60	
Commission			60
19			
Notes Receivable		317	
W. J. Crossman			317

SALES BOOK

May 2	W. J. Crossman	48	
7	Smith Sprague	675	
19	Rockaway Const. Co.	180	
21	Mdse. Sales Cr.		903

PURCHASE BOOK

May 1	Fisher & Co.	210	
8	Ogden Cement Co.	232.50	
21	Mdse. Purchases Dr.		442.50

CASH

			Sund.		Mdse. Disc.		Net Cash	
May	1	Balance					300	15
	3	H. B. Whitlock					212	60
	12	W. J. Crossman	48			96	47	04
	15	Notes Receivable					300	
	15	Stewart Treat					165	70
	21	Mdse. Disct. Dr.				96		
	21	Cash Dr.					1025	49
	21	Bank overdraft					57	50
							1082	97

BOOK

			Sund.	Mdse. Disc.	Exp.	Net Cash
May	3	Wages				36
	5	postage, petties & stationery			6 50	
	9	Reed & Rice				142 70
	10	state & county tax			26 75	
	10	Wages				36
	10	Inward Freight				31 30
	10	Ogden Cement Co.				18 45
	10	Fisher & Co.	210	4 20		205 80
	12	wagon repairs & horseshoeing			11 75	
	13	Ogden Cement Co.	214 05	1 50		212 55
	14	fire insurance			48 50	
	15	Stewart Treat				42
	16	Fisher & Co.				171 28
	16	postage & petties			8 96	
	17	Wages				36
	21	office help to date			45	
	21	postage & petties			3 45	
	21	Mdse. Disct. Cr.		5 70		
	21	Expense Dr.			150 91	150 91
	21	Cash Cr.				1082 99
						1082 99
	22	Bank overdraft				57 50

TRIAL BALANCE

May 21

John R. Parker, Capital		14186.07
Mortgage Payable		3500
Commission		60
Returned Purchases		70
Sales		903
Mdse. Discount		4.74
Bank overdraft		57.50
Notes Receivable	317	
Real Estate	8000	
Horses	900	
Wagons & Harnesses	465	
Stock of Goods	7168.35	
Furniture & Fixtures	125	
Feed	135	
Inward Freight	31.30	
Wages	89.25	
Smith & Sprague	675	
Rockaway Construction Co.	180	
National Gypsum Co.	60	
Returned Sales	42	
Purchases	442.50	
Expense	150.91	
	18781.31	18781.31

LEDGER

Profit & Loss Account

Sales	16.90	Mdse. Disct.	4.74
Expense	150.91	Commission	60
Int. on Mtg.	12.25	J. R. Parker, Private	241.57
Feed	37		
Wages	89.25		
	306.31		306.31

Balance Sheet

ASSETS		LIABILITIES		
Notes Receivable	317	Bank overdraft		57.50
Stock of Goods	6694.25	Mortgage Payable		3500
Feed	98	Int. accr. on Mtg. Pay.		12.25
Accts. Receivable	915	J. R. Parker:		
Real Estate	8000	Invested	14186.07	
Horses	900	Deduct loss	241.57	
Wagons & Harnesses	465	Capital		13944.50
Furn. & Fixt.	125			
	17514.25			17514.25

CASH

				Sales		Sund.	
Apr.	1	Balance	654.85				
	2	sales 4/2		16	50		
	4	Albert Austin				175	
	10	sales 4/10		65			
	12	sales 4/12		8	50		
	16	Benj. Brooks				85	
	16	sales 4/16		86	70		
	18	Chas. Conerty				52	50
	18	sales 4/18		4			
	18	Nassau Hospital				1000	
	23	Lewis Lincoln				83	
	24	Nassau Hospital				1000	
	24	sales 4/24		25	75		
	25	C. A. McTigue				90	
	25	sales 4/25		10			
	27	Benj. Brooks				100	
	27	James Wilson				225	
	27	Albert Austin				144	
	28	sales 4/28		86			
	30	Sales Cr.		302	45	302	45
	30	Cash Dr.				3256	95
	30	Balance Apr. 1				654	85
						3911	80

BOOK

			Sund.		Mdse. Disc.		Exp.		Net Cash	
Apr.	2	F. W. & A. Ferguson	188	50	3	77			184	73
	3	Apr. tel. service					8			
	4	Apr. rent					100			
	7	office help					18			
	7	Selling Expense							50	
	9	Freight							25	76
	9	postage & petties					2	50		
	12	Donald & Dwight	486		9	72			476	28
	14	office help					18			
	14	Selling Expense							50	
	16	car fares & ofc. supplies					3	50		
	16	Freight							3	
	17	Petty Accts. Pay.							50	
	19	E. J. Eagan & Co.	329		6	58			322	42
	21	chgs. on paper						50		
	21	of c. help					18			
	21	Selling Expense							50	
	23	Freight							1	55
	23	Wright Bros.	100	74	2	01			98	73
	24	Holdridge Furn. Co.	54			54			53	46
	27	Petty Accts. Pay.	4	18		13			4	05
	28	office help					18			
	28	Selling Expense							50	
	28	Delivery Expense								75
	28	Henry Brewer							100	
	28	Petty Accts. Pay.							53	75
	30	Delivery Expense							135	
	30	postage & car fares					5	25		
	30	Donald & Dwight	61	45	1	23			60	22
	30	Purchase Disct. Cr.			23	98				
	30	Expense Dr.					191	75	191	75
	30	Cash Cr.							1961	45
	30	Balance							1950	35
									3911	80

CASH

				Accts. Rec.		Sales		Gen. Ledg.	
May	1	Balance from April	1950.35						
	1	sales 5/1				35	60		
	4	sales 5/4				82			
	7	Nassau Hospital		2000					
	7	sales 5/7				96	75		
	8	F. Abbott		86	45				
	8	Repairs & Upholstering						22	50
	9	sales 5/9				5			
	11	Benj. Brooks		179					
	11	sales 5/11				128	40		
	11	Repairs & Upholstering						9	50
	12	Nassau Hospital		176	50				
	14	Mrs. E. W. King		100					
	15	Palmer House		268					
	16	G. E. Slocum		18	50				
	17	Nassau Hospital		2000					
	17	sales 5/17				112			
	19	sales 5/19				17	40		
	22	sales 5/22				88			
	24	R. S. Kingsley		75					
	25	Riverside Realty Co.		95					
	26	Walter Carr		111					
	26	Repairs & Upholstering						38	30
	28	Nassau Hospital		875					
	29	B. M. Booth		40	50				
	29	sales 5/29				28	75		
	31	sales 5/31				296			
	31	Accounts Receivable Cr.		6024	95			6024	95
	31	Sales Cr.				889	90	889	90
	31	Cash Dr.						6985	15
	31	Balance Apr. 1						1950	35
								8935	50
June	1	Balance	3959.49						

BOOK

			Sund.		Pur. Disc.		Exp.		Net Cash	
May	1	Delivery Expense							20	
	2	Goodyear Bros. (P. A.)	30			60			29	40
	2	car fares & petties					1	60		
	3	May rent					100			
	4	Municipal Light Co. (P. A.)	9	75					9	75
	4	May tel. service					8			
	4	McEvoy & Son (P. A.)	8						8	
	4	Hicks Garage (P. A.)	16						16	
	5	Henry Brewer, Private drawings							100	
	5	Pay Roll							86	33
	8	telegrams & petties					3	20		
	9	Freight							38	40
	9	Saks & Pier	126	50					126	50
	10	Michigan Furn. Co.	149	35	4	48			144	87
	11	postage & petties					3	75		
	12	Rochester Supply Co.	187		3	74			183	26
	12	Pay Roll							90	
	14	Greene Brass Bed Co.	187	60	7	50			180	10
	16	Freight							58	85
	17	F. W. & A. Ferguson	387		11	61			375	39
	18	car fares & petties					1	40		
	19	Horricks Spring Co.	134	75					134	75
	19	Pay Roll							90	
	21	Donald & Dwight	13	50		27			13	23
	21	Hall Mfg. Co.	205	25	8	21			197	04
	21	Mdse. Sales							10	50
	22	Jno. Young (P. A.)	6	70					6	70
	22	Standard Furn. Co.	584	50	17	54			566	96
	24	petties					3	65		
	24	Frazer & Gibbs	1800						1800	
	25	Hicks Garage (P. A.)	12	75					12	75
	26	Pay Roll							90	
	28	car fares & petties					1	75		
	29	Thatcher Mfg. Co.	214	20	8	57			205	63
	31	Delivery Expense							135	
	31	postage & petties					5	80		
	31	Wolverine Oil Co. (P. A.)	100	60					100	60
	31	Edw. Scott	16	85					16	85
	31	Purchase Disct. Cr.			62	52				
	31	Expense Dr.					129	15	129	15
	31	Cash Cr.							4976	01
	31	Balance							3959	49
									8935	50

SALES BOOK

Apr.	2	Lewis Lincoln	83
	5	Nassau Hospital	6875
	10	C. A. McTigue	90
	13	Albert Austin	144
	21	James Wilson	225
	24	Walter Carr	111
	25	Benjamin Brooks	279
	30	Sales Cr.	7807

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April

30			
Mdse. Purchases		2022.72	
Purchase Discount		4.51	
Sundry Accounts		111.20	
Sundry Accounts			2128.12
Freight			10.31
30			
General Expense		12.75	
Selling Expense		8.33	
Delivery Expense		100.60	
Pay Roll			11.33
Petty Accts. Pay.			110.35
30			
Stock of Furniture (May acct.)		13432	
Stock of Furniture			13432
30			
Insurance & Taxes (May acct.)		15	
Insurance & Taxes			15
30			
Stock of Furniture		2022.72	
Purchases			2022.72
30			
Sales		6090.86	
Stock of Furniture			4855.86
Sales (May acct.)			1235
30			
Sales		2018.59	
Profit & Loss			2018.59

	30		
Profit & Loss		2018.59	
Selling Expense			208.33
Delivery Expense			289.75
Advertising			53.75
Ins. & Taxes			15
General Expense			208.55
Henry Brewer, Private			1243.21
	30		
Henry Brewer, Private		1143.21	
Henry Brewer, Capital			1143.21

NOTE. — Each teacher should prescribe the procedure to be followed by the class under his instruction. It may be well to close the April ledger without journalising the closing entries. In the opinion of the author, closing entries should be journalised until the student understands fully that, up to the point of making transfers to the Profit & Loss account, closing entries, like all other entries, record transfers of value from one person, department of the business or period of time to another. Many teachers insist upon journalising all transactions at the beginning, and since the sales purchase, and cash books are introduced in this text almost at the beginning, these closing entries should supply any need of additional practice in journalising. Moreover, where books are closed only once or twice a year, many accountants insist upon running these entries through the journal.

The reason for summarising the purchase book by means of a journal entry is because of the special columns involved. A "trial balance" of this book should be taken before it is posted, and the simplest way to do this is to put it in the form of a journal entry.

JOURNAL

May

	15		
Donald & Dwight		3.60	
Repairs & Upholstering			3.60
	26		
E. J. Eagan & Co.		10.75	
Repairs & Upholstering			10.75
	31		
Pay Roll (May acct.)		60	
General Expense		81	
Selling Expense		225	
Repairs & Upholstering		99	
Pay Roll (May acct.)			405
Pay Roll (June acct.)			60
	31		
Accounts Receivable		2248	
Sales			2160
Repairs & Upholstering			88

	31		
Purchases		2917.19	
Purchase Disct.		77.10	
Sundries		392.81	
Sundries			3238.60
Freight			148.50
	31		
Sundries		47.25	
Purchases			45.61
Purchase Disct.			1.64
	31		
Repairs & Upholstering		76.50	
Upholstery Supplies (June acct.)		296.86	
Upholstery Supplies			373.36
	31		
Stock of Furniture (June acct.)		13406.20	
Stock of Furniture			13406.20
	31		
Stock of Furniture		2871.58	
Purchases			2871.58
	31		
Sales		2897.38	
Stock of Furniture			2897.38
	31		
Delivery Expense		87.50	
General Expense		7.50	
Petty Accts. Pay.			95
	31		
Profit & Loss		882.70	
Selling Expense			225
General Expense			224.35
Delivery Expense			255.25
Insurance & Taxes			15
Repairs & Upholstering			2.85
Reserve for Depreciation			90.85
Reserve for Bad Debts			69.40
	31		
Sales		1377.02	
Profit & Loss			1377.02
	31		
Profit & Loss		494.32	
Henry Brewer, Private			494.32
	31		
Henry Brewer, Private		394.32	
Henry Brewer, Capital			394.32

PURCHASE REGISTER

Day		Sund. Cr.	Freight Cr.	Purc. Dr.	Pur. Dis. Dr.	Sund. Dr.	Sund. Accts. Dr.
May 2	Rochester Supply Co.	187			3 74	183 26	Uph. Supplies
3	Greene Brass Bed Co.	228 60	6 90	226 36	9 14		
5	Michigan Furn. Co.	149 35	18 20	163 07	4 48		
5	Saks & Peet	126 50				126 50	Uph. Supplies
7	Empire Varnish Co.	46 75				46 75	Uph. Supplies
8	F. W. & A. Ferguson	387		375 39	11 61		
9	Edward Scott	16 85				16 85	Uph. Supplies
10	Donald & Dwight	17 10	90	17 66	34		
10	Hall Mfg. Co.	205 25	16 75	213 79	8 21		
12	Standard Furn. Co.	584 50	36 50	603 46	17 54		
15	John Young (P. A.)	6 70				6 70	Gen'l Expense
16	Horricks Spring Co.	141		141			
18	Thatcher Mfg. Co.	214 20	12 30	217 93	8 57		
23	E. J. Eagan & Co.	431 25	24 75	447 37	8 63		
24	Hicks Garage (P. A.)	12 75				12 75	Delv. Expense
25	Holdridge Furn. Co.	483 80	32 20	511 16	4 84		
		3238 60	148 50	2917 19	77 10	392 81	

RETURNED PURCHASES

May 9	Greene Brass Bed Co.	41		39 36	1 64		
18	Horricks Spring Co.	6 25		6 25			
		47 25		45 61	1 64		

TRIAL BALANCE

April 30

Henry Brewer, Capital			20969.06
Henry Brewer, Private		100	
Cash		1950.35	
Stock of Furniture		16265.14	
Purchases		2022.72	
Sales			8109.45
Purchase Discount		.60	
Selling Expense		200	
Delivery Expense		189.15	
Advertising		53.75	
Insurance and Taxes		30	
General Expense		195.80	
Delivery Equipment		4325	
Office Furniture		435	
Accounts Receivable:			
Benj. Brooks	179		
Nassau Hospital	4875		
Walter Carr	111	5165	
Accounts Payable:			
Frazer & Gibbs	1800		
Petty Accounts Payable	54		1854
		30932.51	30932.51

TRIAL BALANCE

May 31

Henry Brewer, Capital		22112.27
Henry Brewer, Private	100	
Cash	3959.49	
Stock of Furniture	13432	
Purchase	2871.58	
Sales		4274.40
Freight		51.25
Purchase Discount	13.54	
Selling Expense	225	
Delivery Expense	167.75	

Insurance & Taxes	15	
General Expense	216.85	
Upholstery Supplies	373.36	
Repairs & Upholstering		73.65
Delivery Equipment	4325	
Office Furniture	435	
Pay Roll		60
Accounts Receivable	1388.05	
Accounts Payable:		
E. J. Eagan & Co.		420.50
Holdridge Furniture Co.		483.80
Empire Varnish Co.		46.75
	27522.62	27522.62

BUSINESS & FINANCIAL STATEMENT

October 1 to March 31

TRADING SECTION

Stock of Furn. 10/1	16112	Sales for period	17124.70
Purchases for period	12136.32		
	28248.32		
Stock of Furn. 4/31	16265.14		
Cost of goods sold	11983.18		
Balance c/d	5141.52		
	17124.70		17124.70
Selling Expense	1051	Balance b/d	5141.52
Delivery Expense	1193.70		
Advertising	216.50		
Depreciation			
Delv. Equipment	480.56		
Balance, gross profit c/d	2199.76		
	5141.52		5141.52

PROFIT & LOSS SECTION

General Expense	770.71	Balance from Trading	2199.76
Depreciation			
Office Furn.	22.89		
Balance, net profit c/d	1406.16		
	2199.76		2199.76

HENRY BREWER, CAPITAL

Drawings	437.10	Investment	20000
Present Capital c/d	20969.06	Net Profit b/d	1406.16
	21406.16		21406.16

BALANCE SHEET

ASSETS			LIABILITIES	
Cash		654.85	Trade Creditors B	1003.50
Accts. Receivable, good A		312.50	Petty Accts. Pay. C	50
Stock of Furniture		16265.14	Unpaid Freight	20
		17232.49		1073.50
Delivery Equipment	4805.56		Henry Brewer, Capital	20969.06
Less 10%	480.56	4325		
Office Furn.	457.89			
Less 5%	22.89	435		
Purch. Disct. offered		20.07		
Unexpired Insurance		30		
		22042.56		22042.56

BUSINESS & FINANCIAL STATEMENT

April

TRADING SECTION

Stock on hand, Apr. 1		16265.14	Net sales during April	8109.45
Net purchases April		2022.72		
		18287.86		
Inventory 4/30	13432			
Less Undelivered sales	1235	12197		
Cost of goods sold		6090.86		
Balance carried down		2018.59		
		8109.45		8109.45
Selling Expense		208.33	Balance b/d	2018.59
Delivery Expense		289.75		
Advertising		53.75		
Balance, gross profit c/d		1466.76		
		2018.59		2018.59

PROFIT & LOSS SECTION

General Expense	208.55	Balance from trading	1466.76
Insurance	15		
Balance, net profit c/d	1243.21		
	1466.76		1466.76

BALANCE SHEET

ASSETS			LIABILITIES		
Cash		1950.35	Fraser & Gibbs		1800
Accts. Receivable		5165	Nassau Hospital		1235
Stock of Furniture		13432	Petty Accts. Payable		164.35
		20547.35	Wages & Salaries		11.33
Delivery Equipment		4325			3210.68
Office Furniture		435	Henry Brewer:		
Prepaid Insurance		15	Invested	20969.06	
Purch. Disct. offered		.60	Drawings	100	
				20869.06	
			Net profit	1243.21	
			Present Capital		22112.27
		25322.95			25322.95

BUSINESS & FINANCIAL STATEMENT

May

Trading Section

Stock of Goods 5/1	13432	Net sales during May	3039.40
Less Apr. sales undelvd.	1235		
	12197		
Purchases during May	2871.58		
	15068.58		
Deduct Inventory 5/31	13406.20		
Cost of goods sold	1662.38		
Balance c/d	1377.02		
	3039.40		3039.40
Selling Expense	225	Balance b/d	1377.02
Delivery Expense	255.25		
Dep'r Delv. Equipt.	86.50		
Repairs & Upholstering	2.85		
Balance, gross profit	807.42		
	1377.02		1377.02

Profit & Loss Section

General Expense	224.35	Balance from Trading	807.42
Insurance & Taxes	15		
Dep'r Of. Furn.	4.35		
Reserve for Bad Debts	69.40		
Balance c/d	494.32		
	807.42		807.42
Purchase Disct.	.07	Balance b/d	494.32
H. Brewer, Private	494.25		
	494.32		494.32

Balance Sheet

ASSETS			LIABILITIES		
Cash		3959.49	Accounts Payable:		
Accts. Receivable	1388.05		E. J. Eagan & Co.		420.50
Less Reserve for Bad Debts *	69.40	1318.65	Holdridge Furn. Co.		483.80
			Empire Varnish Co.		46.75
Stock of Furniture		13406.20	Unpaid Freight		51.25
Uph. Supplies		296.86	Petty Accts.		95
		18981.20	Unpaid Labor		60
					1157.30
Delivery Equipment	4325				
Less resv. for depr.	86.50	4238.50	Henry Brewer:		
Ofc. Furn.	435		Invested	22112.27	
Less Depr.	4.35	430.65	Drawings	100	
				22012.27	
Purch. Disct. Offered		13.47	Profit	494.25	
			Present Capital		22506.52
		23663.82			23663.82

* Many accountants prefer to base a reserve for bad debts on the sales for the period.

1 BUSINESS & FINANCIAL STATEMENT

Trading Section

Sales for the period		4586.17	
Deduct selling expense		218.45	4367.72
Goods in stock at beginning		4465	
Purchases for the period	3467.82		
Deduct returns	167.85		
	3299.97		
Add Freight Inward	93.42	3393.39	
		7858.39	
Deduct Inv. at date		3770.81	
Cost of Goods sold			4087.58
Gross Profit			280.14

Profit & Loss Section

General Expense		315.12	
Salaries		120	
Bad Debts		76.84	
Interest on N/P		33.60	
Depreciation of Office Furn.		7.50	553.06
Business Loss			272.92
Capital Income and Charges			
Purchase Disct.		53.27	
Sales Disct.		23.44	29.83
			243.09

Assets

Cash		51.25	
Accounts Receivable		415.60	
Stock of Goods	4189.75		
Less 10 %	418.98	3770.81	
		4237.66	
Office Furniture	125		
Less 6 %	7.50	117.50	
			4355.16

LIABILITIES

Notes Payable		250	
Accounts Payable		365	615
Henry L. O'Day			
Investment	4188.65		
Drawings	205.40		
	3983.25		
Deduct Losses	243.09		
Present Capital			3740.16

2 BUSINESS & FINANCIAL STATEMENT

TRADING SECTION

Stock of Goods 9/30		10345.20	Sales	5765.41	
Purchases	2126.90		Returns	92.64	5672.77
Inw. Freight	112.85	2239.75			
		12584.95			
Less stock 12/31		7713.76			
		4871.19			
Balance c/d		801.58			
		5672.77			5672.77
Selling Expense		238.40	Balance b/d		801.58
Balance, gross profit c/d		563.18			
		801.58			801.58

PROFIT & LOSS SECTION

Office Expense	216.50	Balance from trading	563.18
Insurance & Taxes	16.50	Interest & Discount	10.20
Balance, net profit c/d	387.20	Purchase Discount	46.82
	620.20		620.20
Owen Redfield	387.20	Balance b/d	387.20

1 Capital Dec. 31, $23632.20
2 Cost of goods sold, $4871.19
3 Goods sold at 16.45 % profit
4 Profit on investment 6¼ % per annum, approx.
5 (*a*) Cost of goods sold in 3 mo., $4871.19
(*b*) Cost of goods sold in one yr. on the same basis, $19484.76
(*c*) An average stock of $9742.38 would be turned over twice

3 SIX COLUMN BALANCE SHEET

	Dr.	Cr.	Losses	Profits	Assets	Liabilities
Thomas Cheshire		8626				
Cash	6454.24	986.66			5467.58	
Albert Perkins	200				200	
Merchandise	4158.50	1218.45		524.95	3465	
Notes Payable	618	923				305
O. W. King		580				580
Interest & Disct.	5.38		5.38			
Mdse. Discount	4.93	2.97	1.96			
Expense	141.13		115.83		25.30	
Profit & Loss	22.40		22.40			
Furniture & Fixt.	732.50		32.50		700	
	12337.08	12337.08	178.07	524.95	9857.88	885
Thomas Cheshire Profit (net)			346.88			
			524.95	524.95		
Thomas Cheshire Invested			8626.			
Thomas Cheshire Profit			346.88			
Thomas Cheshire Present Capital						8972.88
					9857.88	9857.88

4 BUSINESS & FINANCIAL STATEMENT

July 1 to December 31

Trading Section

Stock of Mdse. 7/1		15000	Sales for the period	95000
Purchases	63000			
In-freight	1500	64500		
		79500		
Less stock 12/31		23000		
Cost of goods sold		56500		
Balance, gross profit c/d		38500		
		95000		95000
Traveling Expense		2500	Balance b/d	38500
Balance c/d		36000		
		38500		38500

Profit & Loss Section

Stationery & printing	1200	Balance from trading	36000
General Expense	600		
Insurance	575		
Rents & Taxes	3500		
Bad Debts Reserve	750		
Salaries	6000		
Balance c/d	23375		
	36000		36000
Dep. on Real Est.	3500	Balance b/d	23375
Interest	600		
Interest on Capital	1800		
Mdse. Disct.	1250		
Balance, net profit, distributed:			
Andrew Jackson	8112.50		
Wm. Verity	8112.50		
	23375		23375

ANDREW JACKSON

Present Capital c/d	49312.50	Investment	40000
		Interest 6 mo. 6 %	1200
		Profit	8112.50
	49312.50		49312.50

WILLIAM VERITY

Present Capital c/d	28712.50	Investment	20000
		Interest 6 mo. 6 %	600
		Profit b/d	8112.50
	28712.50		28712.50

BALANCE SHEET

ASSETS			LIABILITIES	
Cash		700	Bank overdraft	5000
Accts. Rec.	25000		Trade Creditors	4000
Less 3 %	750	24250	Total	9000
Loan account		7000	Andrew Jackson, Capital	49312.50
Stock of Goods		23000	Wm. Verity, Capital	28712.50
		54950		
Real Estate	35000			
Less 10 %	3500	31500		
Prepaid Insurance		575		
		87025		87025

5 **BUSINESS & FINANCIAL STATEMENT**

June 30

TRADING SECTION

Sales for the period		5480.76	
Deduct returns		112.15	5368.61
Stock of Goods at beginning		6540.25	
Purchases	4211.61		
Inward freight	135.16	4346.77	
		10887.02	
Deduct goods on hand at date		6844.12	
Cost of goods sold			4042.90
Gross profit			1325.71

90 EXERCISES IN PREPARING STATEMENTS, PAGE 179

Profit & Loss Section

General Expense	530.15	
Salaries	110	640.15
Net profit		685.56
Capital earnings:		
Interest on notes receivable	38.90	
Purchase discounts	87.95	126.85
		812.41

Assets

Cash	314.80	
Notes Receivable	150	
Jno. W. Way	312.83	
Nelson Sherwood	154.72	
Stock of Goods	6844.12	
		7776.47

Liabilities

V. DeGroot	786.45	
Unpaid Salaries	11.50	
Unpaid Expense	17.85	
		815.80
E. P. Tracy		
Invested	6760.76	
Drawings	612.50	
	6148.26	
Add profit	812.41	
Present capital		6960.67

6

LEDGER

INVENTORY

Jan.	1	Inventory	24217.89	Dec.	31	Inventory	23712.41
Dec.	31	Purchases	37512.20		31	Sales a/c	38017.68
			61730.09				61730.09

SALES

Dec.	31	Returns	1275.32	Dec.	31		58922.07
	31	Freight	615.50				
	31	Stock of Goods	38017.68				
	31	Undelivered	1890				
	31	Profit & Loss	17123.57				
			58922.07				58922.07
				Jan	1	Undelivered	1890

PROFIT & LOSS

Dec.	31	Operating Exp.	6758.47	Dec.	31	Sales	17123.57
	31	Ins. & Taxes	314.50		31	Commission	1253.49
	31	Interest	213.14				
	31	Res. for bad debts	850				
	31	Income Tax	72.41				
	31	Balance, net profit c/d	10168.54				
			18377.06				18377.06
				Jan.	1	Balance b/d	10168.54

Form 2 **CASH**

			Mdse. Disct.		Accts. Rec.		Sales		Net Cash	
Nov.	2	Balance							1235	
	2	sales 2d					345			
	4	sales 3d, 4th					284			
	5	sales 5th					98	65		
	6	Bush Foundry Co.	18	75	625				606	25
	7	sales 6th, 7th					485			
	10	sales 9th, 10th					235	70		
	11	Notes Receivable	1. 2	30					457	70
	12	sales 11th, 12th					245	15		
	15	Frank Smith	8	32	416				407	68
	15	sales 14th & 15th					165			
	15	Mdse. Disct. Dr.	27	07						
	15	Interest & Disct. Dr.	2	30						
	15	Accts. Receivable Cr.			1041					
	15	Sales Cr.					1858	50	1858	50
									4565	13
Nov.	16	Balance bro't down							1255	03

BOOK

			Mdse. Disc.	Accts. Pay.	Net Cash
Nov.	4	Rent			200
	5	Notes Payable			325
	5	Interest & Discount			1 72
	7	Office Furniture			165
	9	F. D. King & Son		327 50	327 50
	10	A. Adelberg & Bro.	21 72	543	521 28
	12	Pay Roll			1150
	14	Advertising			600
	15	Petty Cash Book			
	15	Stationery			3 75
	15	Postage			4 50
	15	Telegrams			2 65
	15	Car Fares			2 40
	15	Office Expense			6 30
	15	Mdse. Disct. Cr.	21 72		3310 10
	15	Accts. Payable Dr.		870 50	
	15	Balance			1255 03
					4565 13

Form 3 **CASH**

			Accts. Rec.		Mdse. Disc.		Gen. Led.	
Dec.	2	Balance					1268	50
	6	John McAndrew	450				450	
	9	Amos Whitney	229	59	4	59	225	
	10	Notes Receivable					365	
	10	Int. & Disct.					5	48
	14	A. M. Manning	212	50	8	50	204	
	15	Arnold West	200		1c/e		199	
	16	Accts. Receivable Cr.	1092	09				
	16	Collection & Exchange Dr.			1			
	16	Mdse. Disct. Dr.			13	09		
	16	Cash Dr. net receipts					2716	98
							2716	98
Dec.	17	Balance					1248	22

BOOK

			Accts. Pay.		Mdse. Disc.		Exp.		Gen. Led.	
Dec.	3	postage to date					5			
	6	office supplies					10	50		
	7	cleaning ofc.					3	75		
	10	John Duffy	463	92	13	92			450	
	13	Notes Payable							850	
	13	Int. & Disct.							2	11
	15	office salaries					125			
	15	telegrams & petties					3	65		
	15	Freight & Drayage							18	75
	16	Accts. Payable Cr.	463	92						
	16	Mdse. Disct. Cr.			13	92				
	16	Expense Dr.					147	90	147	90
	16	Cash Cr.							1468	76
	16	Balance							1248	22
									2716	98

Form 4 **CASH**

			Mdse. Disc.		Accts. Rec.		Gen. Led.	
June	1	Balance cash on hand					5000	
	7	L. K. Perkins investment					1000	
	8	Notes Payable					1000	
	10	Willis Ogden	3	30	165		161	70
	14	Notes Receivable					380	
	15	Gilbert Hopkins	12	51	416	90	404	39
	16	Mdse. Disct. Dr.	15	81				
	16	Accts. Receivable Cr.			581	90		
	16	Cash Dr.					7946	09
							7946	09
June	17	Balance					4134	43

BOOK

			Mdse. Disc.	Accts. Pay.	Exp.	Gen. Led.
June	1	June rent			175	
	2	Office Furniture				165
	2	postage & petties			7 65	
	3	Robert Hill & Co.		675		675
	4	Mills & Manning		860		860
	6	June telephone service			10	
	8	Int. & Disc.				17 89
	9	Horses				600
	12	Herbert L. Smith	30	0100		970
	13	telegrams, carfares & petties			9 60	
	14	Int. & Disc.				1 52
	15	wages			85	
	15	Advertising Acct.				64
	15	legal expenses			15	
	15	Cortland Wagon Co.		156		156
	16	Mdse. Disct. Cr.	30			
	16	Accts. Payable Dr.		2691		
	16	Expense Dr.			302 25	302 25
	16	Cash Cr.				3811 66
	16	Balance				4134 43
						7946 09

Form 5 **CASH**

				Gen. Led.		Accts. Rec.		Mdse. Disc.		Net Cash	
Dec.	1	Balance in bank	675.89								
	1	Petty Cash Fund	30								
	3	Notes Receivable		346	50					346	50
	3	Int. & Disct.			90						90
	4	Curtis & Co.				306	12	6	12	300	
	5	Notes Receivable		225				*1*	*13*	223	87
				572	40	306	12	*1* 6	*13* 12	871	27
	6	Balance Dec. 1								705	89
										1577	16
Dec.	7	Balance	991.09								

BOOK

			Gen. Led.		Accts. Pay.		Mdse. Disc.		Net Cash	
Dec.	2	Wilbur Smith			213	50	3	20	210	30
	4	Rent	150						150	
	5	Notes Payable	200				*1*	*65*	198	37
	6	Petty Disbursements							27	40
	6	Office Expense	13	50						
	6	Stable Expense	12							
	6	Selling Expense	1	90						
							1	*65*		
			377	40	213	50	3	20	586	07
	6	Balance							991	09
									1577	16

JOURNAL

September

	11		
Notes Receivable		150.65	
National Furn. Co.			150.65
	13		
Notes Receivable		267.75	
Harter Brothers			267.75
	14		
Hartford Carpet Co.		314.21	
Notes Payable			314.21
	18		
New England Specialty Co.		6	
Purchases			6
	22		
Notes Receivable		812.40	
J. M. Flagg & Co.			812.40
	22		
Notes Receivable		334.20	
Edw. Hinds & Son			334.20
	26		
A. W. Bowman & Co.		3	
Traffic Supplies			3
	28		
Notes Receivable		456.85	
Hemstreet Furn. Co.			456.85
	28		
Penn. Carpet Mills		200	
Notes Payable			200
	28		
J. W. Hawthorne Co.		765.70	
Notes Payable			767.50

	30		
Mohawk Mfg. Co.		333.92	
Notes Payable			333.92
	30		
Selling Expense		531.10	
Salesmen's Acct.			531.10
	30		
Interest on Capital		224.91	
Sam'l Holbrook, Private			149.94
C. B. Rutledge, Private			74.97
	30		
General Ledger Accts. (posted)		2021.85	
Accts. Receivable			2021.85

PURCHASE JOURNAL

September

8/27	Leonard, Cornell & Brown	Shipping Supplies	25.36	
8/28	Manila Burlap Co.	Shipping Supplies	356	
9/8	New Eng. Specialty Co.	sundries		352.80
4	F. H. Spencer & Co.	wilton Rugs		814.80
11	Penn. Carpet Mills	terry		169.89
11	Household Hdw. Co.	Shipping Supplies	4.30	
14	Bigg Desk Co.	Office Furn.	12	
15	Standard Oil Co.	Traffic Supplies	187.40	
18	Penn. Carpet Mills	tapestry		251.68
15	Conn. Carpet Co.	axminster		240.98
20	Swift Dustout Co.	Office Supplies	7	
22	Card Board Box Co.	Shipping Supplies	29.50	
21	A. W. Bowman & Co.	Traffic Supplies	46.75	
24	Taylor, Cooper & Co.	axminster		381.30
24	Mohawk Mfg. Co.	Ams. wilton		333.92
25	J. W. Hawthorne Co.	spec. bruss.		767.50
27	* Jennison Mfg. Co.,	Ship. Supplies	6.50	
30	Mdse. Purchases Dr.			3312.87

* 3½ M ordered; 3 M shipped. See if students are checking their invoices.

SALES BOOK

December

PRICE LIST 1

8/31	Keystone Furn. Co.		174
8/31	Butterworth & Co.	359.08	
9/2	H. J. Wood & Son	285.60	
4	Butterworth & Co.		120.60
6	M. Meyer & Son	390.08	
8	Nat'l Furn. Co.	27	
10	S. Summers & Sons	4	
11	Pan Am. Express Co.	8	
11	Harter Bros.		267.75
12	J. B. Johnstone & Co.	129	
14	Ingham Lino. Co.	295.55	
16	Sears, Richards & Co.	68.25	
17	Edw. Hinds & Son		334.20
20	Watson Arnold & Co.		235.20
23	G. J. Spinnell & Co.	545	
24	F. R. Malloy & Bro.	258.20	
24	H. R. Parker & Co.	8	
28	Keystone Furn. Co.	249.70	
28	J. M. Flagg & Co.	594	
30	H. J. Wood & Son	480.40	
30	McGraw & Elliott	4558.23	
	Consignments Cr.		1131.75
	Mdse. Sales Cr.	8260.09	8260.09
	Accounts Receivable Dr.		9391.84

SALES ITEMS AT VARYING PRICES

August 31

Butterworth & Co. (271 yds. Ax.)

1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
359.08	353.66	350.95	331.98	333.33	338.75	336.04	361.79	327.91	346.88
11	*12*	*13*	*14*	*15*	*16*	*17*	*18*	*19*	*20*
337.40	334.69	364.50	356.37	340.11	345.53	355.01	344.17	357.72	349.59
21	*22*	*23*	*24*	*25*	*26*	*27*	*28*	*29*	*30*
363.14	329.27	367.21	330.62	341.46	365.85	342.82	348.24	352.30	360.43

September 2

H. J. Wood & Son

1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
285.60	301.20	285.20	293.20	270.40	290.80	270.80	284.00	298.40	282.00
11	*12*	*13*	*14*	*15*	*16*	*17*	*18*	*19*	*20*
271.20	280.80	282.80	296.00	275.60	279.20	282.40	286.80	293.60	280.40
21	*22*	*23*	*24*	*25*	*26*	*27*	*28*	*29*	*30*
274.00	273.60	288.00	286.40	280.00	286.00	284.40	294.80	276.40	280.00

September 6

M. Meyer & Son (848 yds. Lin.)

1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
390.08	328.60	377.36	351.92	375.24	349.80	373.12	347.68	371.00	345.56
11	*12*	*13*	*14*	*15*	*16*	*17*	*18*	*19*	*20*
368.88	379.48	343.44	387.96	366.76	341.32	385.84	364.64	339.20	383.72
21	*22*	*23*	*24*	*25*	*26*	*27*	*28*	*29*	*30*
362.52	337.08	381.60	334.96	360.40	332.84	358.28	330.72	356.16	354.04

September 8

National Furn. Co. (135 yds. oil cloth)

1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
27.00	33.41	29.36	23.63	32.06	27.34	24.30	29.70	31.39	30.38
11	*12*	*13*	*14*	*15*	*16*	*17*	*18*	*19*	*20*
28.01	24.64	33.08	23.96	32.74	29.03	28.69	25.99	24.98	32.40
21	*22*	*23*	*24*	*25*	*26*	*27*	*28*	*29*	*30*
31.05	27.68	30.04	28.35	26.33	25.65	31.73	26.66	30.71	25.31

September 14

Ingham Lin. Co.

1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
295.55	319.20	257.72	326.29	267.18	281.37	323.92	316.84	300.28	260.09
11	*12*	*13*	*14*	*15*	*16*	*17*	*18*	*19*	*20*
288.46	321.56	314.47	290.83	262.44	286.09	312.11	264.82	283.72	276.64
21	*22*	*23*	*24*	*25*	*26*	*27*	*28*	*29*	*30*
309.74	293.19	279.00	269.55	297.92	274.28	302.64	307.38	271.91	305.01

September 23

G. J. Spinnell & Co. (4000 yds. Lotus)

1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
545	610	590	570	465	490	520	535	605	580
11	*12*	*13*	*14*	*15*	*16*	*17*	*18*	*19*	*20*
515	505	470	585	560	525	475	600	565	510
21	*22*	*23*	*24*	*25*	*26*	*27*	*28*	*29*	*30*
530	485	555	495	575	540	480	550	500	595

September 24

F. R. Malloy & Bro.

1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
258.20	266.00	263.60	261.20	248.60	251.60	255.20	257.00	265.40	262.40
11	*12*	*13*	*14*	*15*	*16*	*17*	*18*	*19*	*20*
254.60	253.40	249.20	263.00	260.00	255.80	249.80	264.80	260.60	254.00
21	*22*	*23*	*24*	*25*	*26*	*27*	*28*	*29*	*30*
256.40	251.00	259.40	252.20	261.80	257.60	250.40	258.80	252.80	264.20

SALES ITEMS AT VARYING PRICES

320 yds. Empress Matting

1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
51.20	61.60	47.20	56.80	42.40	60.80	38.40	50.40	59.20	44.80
11	*12*	*13*	*14*	*15*	*16*	*17*	*18*	*19*	*20*
39.20	49.60	54.40	58.40	40.00	46.40	53.60	48.00	57.60	48.80
21	*22*	*23*	*24*	*25*	*26*	*27*	*28*	*29*	*30*
40.80	44.00	52.80	56.00	43.20	52.00	55.20	60.00	45.60	41.60

480 yds. Lotus Matting

1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
65.40	73.20	70.80	68.40	55.80	58.80	62.40	64.20	72.60	69.60
11	*12*	*13*	*14*	*15*	*16*	*17*	*18*	*19*	*20*
61.80	60.60	56.40	70.20	67.20	63.00	57.00	72.00	67.80	61.20
21	*22*	*23*	*24*	*25*	*26*	*27*	*28*	*29*	*30*
63.60	58.20	66.60	59.40	69.00	64.80	57.60	66.00	60.00	71.40

320 yds. Lotus Matting

1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
43.60	48.80	47.20	45.60	37.20	39.20	41.60	42.80	48.40	46.40
11	*12*	*13*	*14*	*15*	*16*	*17*	*18*	*19*	*20*
41.20	40.40	37.60	46.80	44.80	42.00	38.00	48.00	45.20	40.80
21	*22*	*23*	*24*	*25*	*26*	*27*	*28*	*29*	*30*
42.40	38.80	44.40	39.60	46.00	43.20	38.40	44.00	40.00	47.60

300 ⅞ yds. Plain Linoleum less 3 % and 20 %

1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
145.93	157.61	127.25	161.11	131.92	138.93	159.94	156.44	148.26	128.42
11	*12*	*13*	*14*	*15*	*16*	*17*	*18*	*19*	*20*
142.43	158.77	155.27	143.60	129.59	141.25	154.11	130.76	140.09	136.59
21	*22*	*23*	*24*	*25*	*26*	*27*	*28*	*29*	*30*
152.93	144.76	137.76	133.09	147.10	135.43	149.43	151.77	134.26	150.60

274⅛ yds. Plain Linoleum 3 % and 10 % off

1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
149.62	161.59	130.47	165.18	135.26	142.44	163.98	160.40	152.02	131.67
11	*12*	*13*	*14*	*15*	*16*	*17*	*18*	*19*	*20*
146.03	162.79	159.20	147.23	132.86	144.83	158.00	134.06	143.63	140.05
21	*22*	*23*	*24*	*25*	*26*	*27*	*28*	*29*	*30*
156.81	148.43	141.24	136.46	150.82	138.85	153.21	155.61	137.65	154.41

Abstract of Customers Ledger, September 30

J. M. Flagg and Co.	594
Nat'l. Furniture Co.	718.19
Ingham Lino. Co.	1990.43
Butterworth and Co.	359.08
Carter Bros.	1008.42
Keystone Furn. Co.	423.70
H. J. Wood and Sons	766
M. Meyer and Son	390.08
S. Summers and Sons	4
J. B. Johnstone and Co.	129.60
G. J. Spinelli	545
F. R. Malloy and Bros.	258.20
McGraw and Elliott	4639.23
Accounts Receivable Dr.	11825.93

CASH

				Net Cash		Accts. Rec.		Sales Disc.		Gen. Led.	
Sept.	1	Balance	3890.45								
	2	Notes Receivable		374	25			I 1	25	375	50
	2	Notes Receivable		317	17			I 1	49	318	66
	8	Notes Receivable		465						465	
	8	Butterworth & Co.		297	22	309	60	12	38		
	11	Russell Sprague, Inc.		371	04	386	50	15	46		
	11	Notes Receivable		549	68			I 3	32	553	
	12	J. M. Flagg & Co.		541	01	563	55	22	54		
	14	Notes Receivable		700						700	
	14	Interest		3	28					3	28
	16	Butterworth & Co.		115	78	120	60	4	82		
	18	J. M. Flagg & Co.		399	05	415	68	16	63		
	18	Pan American Ex. Co.		8		8					
	20	Hemstreet Furn. Co.		314	50	327	60	13	10		
	21	Notes Receivable		386						386	
	21	Interest		5	03					5	03
	21	M. Meyer & Son		24	73	24	73				
		Carried forward		4871	74	2156	26	90	99	2806	47

BOOK

				Net Cash		Pur. Disc.		Com.		Gen. Led.	
Sept.	1	Jas. Simmons & Co.		752	83					752	83
	2	Hartford Carpet Co.		292	90	12	20			305	10
	2	Pay roll:		173							
	2	Shipping Expense								63	
	2	Traffic Expense								63	
	2	Office Expense								47	
	5	Notes Payable		765						765	
	5	Interest		11	40					11	40
	6	Leonard Cornell & Brown		24	60		76			25	36
	7	Manila Burlap Co.		356						356	
	7	Accounts Receivable		24	73					24	73
	7	M. Meyer & Son	24.73								
	8	Consignments		279	39	12	38	17	83	309	60
	9	Notes Payable		400						400	
	9	Interest		3	31					3	31
	9	Pay roll to date:		174							
	9	Shipping Expense								64	
	9	Traffic Expense								63	
	9	Office Expense								47	
	11	J. W. Stilwell & Son		386	59	16	11			402	70
	12	Consignments		508	55	22	54	32	46	563	55
	13	Notes Payable		500						500	
	13	F. H. Spencer & Co.		790	36	24	44			814	80
	14	Jas. E. Simmons & Co.		321	39	13	39			334	78
	16	Bigg Desk Co.		12						12	
	16	Pay roll to date:		174							
	16	Shipping Expense								64	
	16	Traffic Expense								63	
	16	Office Expense								47	
	16	Consignments		108	83	4	82	6	95	120	60
	18	Notes Payable		389	72	I 4	40			394	12
	18	New Eng. Specialty Co.		343	33	3	47			346	80
	20	Notes Payable		300						300	
	20	Interest		1	50					1	50
	20	Penn. Carpet Mills		163	09	6	80			169	89
	20	Consignments		295	63	13	10	18	87	327	60
	21	Household Hdw. Co.		4	13		17			4	30
		Carried forward		7556	28	134	58	76	11	7766	97

CASH

					Net Cash		Accts. Rec.		Sales Disc.		Gen. Led.	
Sept.	21	Brought forward			4871	74	2156	26	90	99	2806	47
Sept.	26	Russel Sprague, Inc.			396		412	50	16	50		
	26	Nat'l Furniture Co.			227	95	237	45	9	50		
	27	Sears, Richards & Co.			65	52	68	25	2	73		
	28	Nat'l Furniture Co.			209	28	218		8	72		
	28	Carter Bros. Co.			766	12	766	12				
	30	Notes Receivable			812	40					812	40
	30	Interest			2	29					2	29
	30	Watson, Arnold & Co.			225	79	235	20	9	41		
	30	H. R. Parker & Co.			8		8					
		Memo.										
		Balance Sept. 1		3890.45								
		Receipts deposited		7585.09								
				11475.54								
		Vouchers ret'd per pass bk.	9530.48									
		Deduct Aug. vouchers	434.90									
			9095.58									
		Sept. checks outstanding	657.25									
		Total payments		9752.83								
		Balance 9/30 per C. B.		1722.71								
		Office cash petty C. B.		50								
		Bank balance, check bk.		1672.71								
									Int.	6	0	
		Journal			7585	09	4101	78	131	79	3621	16
	30	Balance Sept. 1			3890	45						
					11475	54						

BOOK

			Net Cash		Pur. Disc.		Com.		Gen. Led.	
Sept.	21	Brought forward	7556	28	134	58	76	11	7766	97
	23	Pay roll to date:	175							
	23	Shipping Expense							64	
	23	Traffic Expense							63	
	23	Office Expense							48	
	23	Salesmen's Acct.	400						400	
	25	J. W. Hawthorne Co.	384	65	7	85			392	50
	25	Standard Oil Co.	185	53	1	87			187	40
	26	Consignments	214	27	9	50	13	68	237	45
	28	Penn. Carpet Mills	41	61	10	07			51	68
	30	Swift Dustout Co.	6	86		14			7	
	30	Office Expense	10	50					10	50
	30	Gen'l Expense	200						200	
	30	Gen'l Expense	11	05					11	05
	30	Pay Roll to date:	175							
	30	Shipping Expense							64	
	30	Traffic Expense							63	
	30	Office Expense							48	
	30	Penn. Ry. Co.	129	74						
	30	Office Supplies							1	05
	30	Traffic Supplies							3	60
	30	Mdse. Purchases							42	90
	30	Accts. Receivable:							82	19
	30	Nat'l Furn. Co. 1.19								
	30	McGraw & Elliott 81.								
	30	Consignments	212	24	9	41	13	55	235	20
	30	Petty Cash Sheet:	45	25						
	30	Office Expense							15	17
	30	Shipping Expense							13	36
	30	Traffic Expense							7	17
	30	Selling Expense							7	20
	30	Consignments							1	75
	30	Accts. Receivable								60
	30	J. B. Johnstone & Co. .60								
	30	Office Expense	4	85					4	85
					4	40				
		Journal	9752	83	169	02	103	34	10029	59
	30	Balance	1722	71						
			11475	54						

PETTY CASH SHEET

No._____

September

Receipts		Payments				Distribution											
Day	Amt.		Day	Vo. No.	Amt.		Off.		Ship.		Trav.		Sell.		Sund.		
8/31	50	postage, car fares	1	342	4 15		3	50						65			
		1 bot. ink, papers	2		62			12		50							
		sealing wax, paper clips	4		1 30			70		60							
		1 bot. mucilage, horse shoeing	5		2					50	1	50					
		2 ty. ribbons	6		2		1		1								
		car fares	7		85									85			
		1 box carbon	8		1			50		50							
		papers	9		12			12									
		1 gr. pencils	11		2 88		1	44	1	44							
		J. B. Johnstone & Co. tel., car fares	12		75									15			60
		stationery	14		1 15				1	15							
		harness oil, exp. chgs. (Burt C. Co.)	15		2 25							50				1	75
		postage, papers	16		2 12		2	12									
		telegr. (Dowd), soap, laundry	18		1 84			67				42		75			
		1 bx. pens	20		75					75							
		rubber bands, car fares	21		1 30		1							30			
		C. B. Rutledge	22		4 50								4	50			
		mazda lamps, papers	23		3 80		2		1	80							
		auto repairs	25		2 75						2	75					
		ship. supplies	25		3 82				3	82							
		1 bot. red ink	27		50					50							
		postage	28		2		2										
		horseshoeing	29		2						2						
9/30	45	25 express chgs.	30		80					80							
		C. B.	30		45	25	15	17	13	36	7	17	7	20	2	35	
		Balance c/d	30		50												
	95	25			95	25											
10/1	50																

BANK ACCOUNT

Balance Sept. 1			3840.45
Sept.	2	Proceeds	374.25
	4	Proceeds	317.17
	8	Proceeds	465
	8	Deposit	297.22
	11	Proceeds	549.68
	12	Deposit	912.05
	14	Proceeds	703.28
	18	Deposit	522.83
	21	Proceeds	391.03
	21	Deposit	339.23
	26	Deposit	623.95
	28	Deposit	1040.92
	30	Proceeds	814.69
	30	Deposit	233.79
		Total	11425.54
		Less Col. & Exch.	4.85
			11420.69
		Checks, cash book	9747.98
Balance Sept. 30			1672.71

VOUCHER SLIP

September 30

SECOND NATIONAL BANK

VOUCHERS RETURNED

42.71
12.16
10.40
174
156.92
38.71
752.83
292.90
173
776.40
24.60
356
24.73
279.39
403.31
174
321.39
508.55
174
12
108.83
295.63
163.09
343.33
301.50
389.72
790.36
500
386.59
185.53
400
4.13
175
384.65
214.27
175
4.85
9530.48

TRIAL BALANCE

September 30

Samuel Holbrook, Capital		29988.31
Samuel Holbrook, Private		149.94
C. B. Rutledge, Capital		14994.16
C. B. Rutledge, Private		74.97
Cash	1722.71	
Notes Receivable	1209.45	
Accounts Receivable	11825.93	
Merchandise Stock	27675.60	
Mdse. Purchases	3349.77	
Mdse. Sales		8260.09
Consignments		3588.53
Commission	141.60	
Office Furniture	1212	
Warehouse Equipment	675	
Traffic Equipment	7540	
Office Supplies	173.05	
Shipping Supplies	1051.66	
Traffic Supplies	509.75	
Office Expense	236.19	
Shipping Expense	290.36	
Traffic Expense	280.17	
Selling Expense	538.30	
General Expense	211.05	
Insurance & Taxes	307.05	
Interest & Discount		2.01
Interest on Capital	224.91	
Mdse. Discount		37.23
Salesmen's Account	238.35	
Notes Payable		1615.63
Conn. Carpet Co.		240.98
Taylor, Cooper & Co.		381.30
Transient Accounts		79.75
	59412.90	59412.90

TRIAL BALANCE FOOTINGS

					1 59412.90	*2* 59464.46
3 59406.58	*4* 59410.61	*5* 59244.20	*6* 59282.05	*7* 59355.77	*8* 59384.40	*9* 59451.77
10 59359.70	*11* 59315.94	*12* 59351.96	*13* 59309.88	*14* 59455.51	*15* 59350.04	*16* 59314.36
17 59341.24	*18* 59403.61	*19* 59377.21	*20* 59339.14	*21* 59379.24	*22* 59249.21	*23* 59412.64
24 59249.47	*25* 59395.30	*26* 59334.61	*27* 59302.66	*28* 59368.99	*29* 59292.67	*30* 59436.38

SALES CR.

					1 8260.09	*2* 8311.65
3 8253.77	*4* 8257.80	*5* 8091.39	*6* 8129.24	*7* 8202.96	*8* 8231.59	*9* 8298.96
10 8206.89	*11* 8163.13	*12* 8199.15	*13* 8157.07	*14* 8302.70	*15* 8197.23	*16* 8161.55
17 8188.43	*18* 8250.80	*19* 8224.40	*20* 8186.33	*21* 8226.43	*22* 8096.40	*23* 8259.83
24 8096.66	*25* 8242.49	*26* 8181.80	*27* 8149.85	*28* 8216.18	*29* 8139.86	*30* 8283.57

Consignments Cr. 1131.75

ACCOUNTS RECEIVABLE DR.

					1 9391.84	*2* 9443.40
3 9385.52	*4* 9389.55	*5* 9223.14	*6* 9260.99	*7* 9334.71	*8* 9363.34	*9* 9430.71
10 9338.64	*11* 9294.88	*12* 9330.90	*13* 9288.82	*14* 9434.45	*15* 9328.98	*16* 9293.30
17 9320.18	*18* 9382.55	*19* 9356.15	*20* 9318.08	*21* 9358.18	*22* 9228.15	*23* 9391.58
24 9228.41	*25* 9374.24	*26* 9313.55	*27* 9281.60	*28* 9347.93	*29* 9271.61	*30* 9415.32

ACCOUNTS RECEIVABLE BALANCE

					1 11825.93	*2* 11877.49
3 11819.61	*4* 11823.64	*5* 11657.23	*6* 11695.08	*7* 11768.80	*8* 11797.43	*9* 11864.80
10 11772.73	*11* 11728.97	*12* 11764.99	*13* 11722.91	*14* 11868.54	*15* 11763.07	*16* 11727.39
17 11754.27	*18* 11816.64	*19* 11790.24	*20* 11752.17	*21* 11792.27	*22* 11662.24	*23* 11825.67
24 11662.50	*25* 11808.33	*26* 11747.64	*27* 11715.69	*28* 11782.02	*29* 11705.70	*30* 11849.41

BUSINESS & FINANCIAL STATEMENT

For the period from September 1 to 30

Trading Section

Stock of Mdse. Sept. 1	27675.60		Net sales for the period		8260.09
Purchases during Sept.	3349.77				
	31025.37				
Deduct Mdse. in Stock Sept. 30	25568.32				
Cost of goods sold		5457.05			
Balance, gross profit c/d		2803.04			
		8260.09			8260.09

Selling Expense	538.30		Balance bro't down	2803.04	
Shipping Expense	290.36		Commission earned in Sept.	65.19	
Shipping Supplies	81.26		Total earnings		2868.23
Traffic Expense	280.17				
Traffic Supplies	109.75				
Trading Expenses		1299.84			
Balance carried to Profit & Loss		1568.39			
		2868.23			2868.23

Profit & Loss Section

Administrative Expenses			Balance from trading		1568.39
			Interest & Disct.	2.01	
Office help	205.67		Mdse Disct.	37.23	39.24
Office Expense	30.52				
Office Supplies	23.05				
General Expense	211.05				
Insurance & Taxes	52.05	522.34			
Reserve for Sales Disct.		473.04			
Balance, net profit c/d		612.25			
		1607.63			1607.63

Interest on Capital		224.91	Balance bro't down	612.25
Balance available for distribution				
Samuel Holbrook	193.67			
C. B. Rutledge	193.67	387.34		
		612.25		612.25

GROSS PROFIT

1	2	3	4	5	6	7	8	9	10
2803.04	2854.60	2796.72	2800.75	2634.34	2672.19	2745.91	2774.54	2841.91	2749.84
11	12	13	14	15	16	17	18	19	20
2706.08	2742.10	2700.02	2845.65	2740.18	2704.50	2731.38	2793.75	2767.35	2729.28
21	22	23	24	25	26	27	28	29	30
2769.38	2639.35	2802.78	2639.61	2785.44	2724.75	2692.80	2759.13	2682.81	2726.52

BALANCE OF TRADING ACCOUNT

1	2	3	4	5	6	7	8	9	10
1568.39	1619.95	1562.07	1556.10	1399.69	1437.54	1511.26	1539.89	1607.26	1515.19
11	12	13	14	15	16	17	18	19	20
1471.43	1507.45	1465.37	1611.00	1505.53	1469.85	1496.73	1559.10	1532.70	1494.63
21	22	23	24	25	26	27	28	29	30
1534.73	1404.70	1568.13	1404.96	1550.79	1490.10	1458.15	1524.46	1448.16	1491.87

4% RESERVE FOR SALES DISCOUNT

1	2	3	4	5	6	7	8	9	10
475.10	474.69	472.78	472.95	466.29	467.80	470.75	471.90	474.59	470.91
11	12	13	14	15	16	17	18	19	20
469.16	470.60	468.92	474.74	470.52	469.10	470.17	472.67	471.61	470.09
21	22	23	24	25	26	27	28	29	30
471.69	466.49	473.03	466.50	472.33	469.91	468.63	471.28	468.23	473.98

NET PROFIT

1	2	3	4	5	6	7	8	9	10
612.25	661.75	606.19	610.05	450.30	486.64	557.41	584.89	649.57	561.18
11	12	13	14	15	16	17	18	19	20
519.17	553.75	513.35	653.16	551.91	517.65	543.46	603.33	577.99	541.44
21	22	23	24	25	26	27	28	29	30
579.94	455.11	612.00	455.36	595.36	537.09	506.42	570.08	496.73	534.79

BALANCE SHEET

Assets				Liabilities		
Cash on deposit	1677.67			Notes Payable, per schedule	1615.63	
Office cash	50	1722.71		Accounts Payable per schedule	702.03	
Notes Receivable, good		1209.45		Consignments (Burt Carpet Co.)	3588.53	
Accounts Receivable	11825.93					5906.19
Less Reserve for disct 4%	473.04	11352.89		Samuel Holbrook:		
Stock of Mdse. per Inventory		25568.32		Inv. 29988.31		
			39853.37	Int. on inv. 6% 149.94		
Commission earned		206.79		One-half profit 193.67		
Salesmen's Acct.		238.35	445.14	Pres. Cap.	30331.92	
Prepaid Insurance			255	C. B. Rutledge:		
Equipment				Inv. 14994.16		
Office		1212		Int. on inv. 6% 74.97		
Warehouse		675		One-half profit 193.67		
Traffic		7540	9427	Pres. Cap.	15262.80	
Supplies:				Present Capital of firm		45594.72
Office		150				
Shipping		970.40				
Traffic		400	1520.40			
			51500.91			51500.91

1a

LEDGER

P. R. Higgins

Jan. 31	Profit & Loss	8600		Feb. 1		5500
				Jan. 31	Deficit	3100
		8600				8600
Feb. 1	Deficit	3100				

(*b*) 60½ cents on the dollar
(*c*) Strauss should receive $477.62.

2

JOURNAL

January

(*a*)	15		
Howard Cheston, Vendee		22371.20	
Cash			865.40
Notes Receivable			2000
Accounts Receivable			3165.80
Stock of Goods			14650
Office Furniture			325
Horses & Wagons			865
Good Will			500

	15		
Notes Payable		10566.01	
Interest accrued		87.43	
Notes Receivable Discounted		850	
Accounts Payable		2176.75	
Howard Cheston, Vendee			13680.19
	15		
Good will		500	
Howard Cheston, Capital			250
Willard Mills, Capital			250
	15		
Howard Cheston, Capital		8691.01	
Willard Mills, Capital		8691.01	
Howard Cheston, Vendee			8691.01
Notes Payable			8691.01

NOTE. — A shorter way, of course, to dispose of this situation is as follows:

	15		
Good Will		500	
Howard Cheston, Capital			250
Willard Mills, Capital			250
	15		
Willard Mills, Capital		8691.01	
Notes Payable			8691.01

NOTE. — It is best, however, in partnership dissolutions to make the entries tell the whole story. The first method, moreover, keeps the good will item off Cheston's books. It is not good practice to capitalize good will.

(*b*)	15		
Cash		865.40	
Notes Receivable		2000	
Accounts Receivable		3165.80	
Stock of Goods		14650	
Office Furniture		325	
Horses & Wagons		865	
Notes Payable			10566.01
Interest Accrued			87.43
Notes Receivable Discounted			850
Accounts Payable			2176.75
Howard Cheston, Capital			8191.01

3 **JOURNAL**

March

1

Cash	3456.40	
Forest Grant, Capital		3456.40

4 **JOURNAL**

Cash	2300	
Notes Receivable	1150	
Morrell Smith	600	
Shipt. to Herman & Co.	900	
Michael Cassidy *	202.25	
Stock of Goods	1800	
Good Will	372.75	
Notes Payable		1400
Edward Horn		1700
Consignment Account		625
A. Rosenblum, Capital		3600

NOTE. — Check off such accounts as are in Mr. Rosenblum's ledger.

Cash	3600	
John Kaplan, Capital		3600
Accounts Receivable	150	
Notes Receivable		150
Profit & Loss	150	
Accounts Receivable		150
A. Rosenblum, Private	150	
Good Will		150

5 **JOURNAL**

Accts. Rec.	Accts. Pay.	Gen.	Fo.		Fo.	Gen.	Accts. Rec.	Accts. Pay.
127 82	1216 80	3407 16				2575 60	1864	312 18
				Cash Book, p.				
		3082 74		Cash Accts. Rec.			2418 79	
		212 45		Sales Disct. Gen. Ledger	✓	876 40		
				Cash Book, p.				
	1517 60			Accts. Pay. Cash		2761 06		
		1292 18	✓	Gen. Led. Purch. Disct.		48 72		
				Sales Book, p.				
4563 20				Accts. Rec. Sales		4563 20		
				Purchase Book, p.				
		3287		Purchases Accts. Pay.				3287
4691 02		4691 02		Accts. Rec. Dr. Accts. Pay Cr.		3599 18		3599 18
	2734 40	2734 40		Accts. Pay. Dr. Accts Rec. Cr.		4282 79	4282 79	
		18706 95				18706 95		

* It is assumed that the protested note and the protest fees were charged back to Cassidy's account as they should have been.

6 **JOURNAL**

December

31			
Profit & Loss		2790.83	
Reserve for Bad Debts			691.36
Reserve for Discounts			172.84
Reserve for Dep. of Machinery			1876
Reserve for Dep. of Office Furniture			50.63
Reserve for Discounts		146.82	
Reserve for Bad Debts		956.87	
Accounts Receivable			1103.69

7 **BUSINESS & FINANCIAL STATEMENT**

October 1 to December 31, 19—

TRADING SECTION				
Sales for the period			22940	
Deduct returns and allowances			1145	
Net sales				21795
Goods on hand at beginning		13500		
Purchases for the period	15875			
Add inward freight	438.65	16313.65		
		29813.65		
Deduct inventory at date		16028		
Cost of goods sold				13785.65
Gross profit				8009.35
Trading expenses:				
Selling			1789.10	
Wages			591.50	
Shipping supplies			550.20	2930.80
				5078.55
PROFIT & LOSS SECTION				
Office expense			1156.60	
Depreciation of office furniture			50	1206.60
Net profit				3871.95
Other earnings and charges:				
Purchase discount taken		187.67		
Deduct interest on notes payable		111.55		76.12
				3948.07

FINANCIAL SECTION

ASSETS

Cash		345.70		
Notes receivable, considered good		890		
Accounts receivable considered good		1565.80		
Stock of goods per inventory		16028	18829.50	
Office furniture	400			
Less depreciation	50	350		
Shipping supplies		90	440	
Total assets				19269.50

LIABILITIES

Notes payable	1150		
Accrued interest	13.25		
Accounts payable	1325		
Wages unpaid	26.50		2514.75
B. A. Vaughn:			
Investment	13000		
Drawings	193.32	12806.68	
Net earnings as above		3948.07	
Present capital			16754.75

8 **BUSINESS & FINANCIAL STATEMENT**

***November 1 to December 31, 19—**

TRADING SECTION

Sales for the period			1600
Purchases for the period	4100		
Add inward freight	250		
	4350		
Deduct inventory 12/31	3212		
Cost of goods sold			1138
Gross profit on sales			462
Shipping and commission:			
Commission earned	225		
Storage earnings	50		
	275		
Loss on shipments	212.50		
Net earnings			62.50
Gross trading profit			524.50

* The text does not state the period covered. Assume 2 months.

PROFIT & LOSS SECTION

Office expense	300		
Rent	350		
Insurance	205	855	
Depreciation of equipment:			
Horse and wagons	50		
Furniture and fixtures	40	90	
		945	
Other earnings deducted:			
Purchase disct. taken	300		
Interest on notes receivable	23.64	323.64	621.36
Net loss for the period			96.86
Add interest on capital, 60 days at 6%			470
			566.86

FINANCIAL SECTION

ASSETS

Cash		22450		
Notes receivable		1500		
Interest accrued on notes rec.		23.64		
Accounts receivable		8500		
Commission accrued		75		
Current assets			32548.64	
Shipments at cost	2500			
Deduct losses	212.50	2287.50		
Stock of goods		3212		
Trading assets			5499.50	
Deferred charges:				
Insurance prepaid			45	
Plant and equipment:				
Real estate		15000		
Horses and wagons 500				
Office furniture 500	1000			
Less depreciation	90	910	15910	
Total assets				54003.14

		LIABILITIES		
Notes payable		4500		
Accounts payable		2000	6500	
Consignments			1500	
Total liabilities				8000
H. A. Land:				
Investment	25000			
Rent due and unpaid	100			
Interest on investment	250	25350		
Deduct:				
Drawings	500			
One-half losses as above	283.43	783.43		
Present capital			24566.57	
W. R. Harland:				
Investment	22000			
Interest on investment	220	22220		
Deduct:				
Drawings	500			
One-half losses as above	283.43	783.43		
Present capital			21436.57	
Firm's Capital				46003.14

BUSINESS & FINANCIAL STATEMENT

March

TRADING SECTION

Stock of Goods 3/1	6758.90	Sales for the period	2319.73
Purchases for period	3183.65		
	9942.55		
Deduct Inventory 3/20	8106.40		
Cost of goods sold	1836.15		
Balance, gross profit	483.58		
	2319.73		2319.73
Shipping Expense	25	Balance b/d	483.58
Drayage	8.75		
Balance to Profit & Loss Acct.	449.83		
	483.58		483.58

PROFIT & LOSS SECTION

General Expense	627.65	Balance from Trading	449.83
Dep'r Furn. & Fix.	10	Balance c/d	187.82
	637.65		637.65
Balance b/d	187.82	Mdse. Discount	43.63
Interest	1.66	O. J. Sullivan	97.23
		W. A. Tanner	48.62
	189.48		189.48

BALANCE SHEET

ASSETS			LIABILITIES		
Cash		2758	Accounts Payable		1127.60
Accts. Receivable		917.30	O. J. Sullivan:		
Merchandise Stock		8106.40	Invested	7954.30	
Coal unused		31.50	Deduct loss	97.23	
Shipping Supplies		100	Present Capital		7857.07
Office Furn.	1010		W. A. Tanner:		
Less Depr.	10	1000	Invested	3977.15	
			Deduct loss	48.62	
			Present Capital		3928.53
		12913.20			12913.20

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